

ACTIVE LIFE LIMITED

England & Wales · Charity number 1095215

Details

Other names	ACTIVE LIFE
Status	Registered
Legal form	Charitable company
Company number	04376721
Registered	2003-01-03
Register	View on the Charity Commission register

Contact

Address	Suite 3 & 4 Blake House Schooner Court Crossways Business Park Dartford DA2 6QQ
Phone	020 7740 7500
Website	www.activelifeltd.co.uk

Activities

Objects: TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES AND SERVICES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION PRIMARILY IN THE DISTRICT OF CANTERBURY IN THE INTERESTS OF SOCIAL WELFARE, SUCH FACILITIES BEING PROVIDED TO THE PUBLIC AT LARGE SAVE THAT SPECIAL FACILITIES MAY BE PROVIDED FOR PERSONS WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY MAY HAVE NEED OF SPECIAL FACILITIES AND/OR; TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE EDUCATION PRIMARILY IN THE DISTRICT OF CANTERBURY FOR THE BENEFIT OF THE PUBLIC PARTICULARLY DRAMATIC EDUCATION AND FOSTER THE PUBLIC INTEREST IN ARTS.

Activities: Provide or assist in the provision of facilities and services for recreation and other leisure time occupation primarily in the district of Canterbury in the interests of social welfare, such facilities being provided to the public at large.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Arts/culture/heritage/science, Amateur Sport, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** CANTERBURY.
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-30	-	-	-	-
2024-03-30	-	-	-	-
2022-12-31	£3,789,821	£4,026,518	£-59,318	250
2021-12-31	£3,560,936	£3,542,750	£177,379	284
2020-12-31	£3,364,738	£3,747,860	£370,413	330
2019-12-31	£5,023,981	£3,035,350	£753,535	359
2018-12-31	£5,171,884	£5,496,292	£787,904	372

Trustees

Name	Role	Appointed
Christine Elizabeth Longmire		2012-10-31
GERALD STANLEY KNOX		
Mark Salisbury		2024-04-12
ROSALIND BARLEY		2016-12-08
SIMON PAUL JONES		

ACTIVE LIFE LIMITED

England & Wales - Charity number 1095215

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
ACTIVE LIFE LIMITED

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Reference and Administrative Details	1
Chairwoman's Report	2
Report of the Trustees	3 to 10
Report of the Independent Auditors	11 to 14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Cash Flow Statement	18
Notes to the Financial Statements	19 to 33

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEES	S P Jones G S Knox C Longmire N E Wells (resigned 28.6.23) R Thomas R Barley E A Taylor (resigned 9.2.22)
REGISTERED OFFICE	3 & 4 Blake House Schooner Court Crossways Business Park DARTFORD Kent DA2 6QQ
REGISTERED COMPANY NUMBER	04376721 (England and Wales)
REGISTERED CHARITY NUMBER	1095215
AUDITORS	McCabe Ford Williams Statutory Auditors and Chartered Accountants Building 1063 Cornforth Drive Kent Science Park Sittingbourne Kent ME9 8PX
BANKERS	National Westminster Bank City Centre Branch 11 The Parade Canterbury Kent CT1 2SQ
SOLICITORS	Winckworth Sherwood Arbor 255 Blackfriars Rd London SE1 9AX

CHAIRWOMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Covid restrictions remained in place until late February and meant the year started with little positive momentum. However, visitor numbers and class participants gradually increased as confidence started to grow as the threat of Covid diminished. However, lane swimming bookings remained in place as they support the operational deployment and rostering of poolside staff.

The Kingsmead redevelopment project was delayed due to the Covid pandemic. This led to the building looking 'very tired' due a mix of further delays and the associated lack of maintenance, which resulted in the centre underperforming over the year.

The Whitstable Pools and Fitness new Studio project, which includes refurbishment of changing areas and extension to the gym was also delayed due to Covid.

However, both project proposals were presented to Canterbury City Council who formally signed them off in 2022. The tender evaluation was then completed with building works starting in April 2023. The project is expected to take 18 months and due for completion in September 2024.

The Herons refurbishment project was completed during the early part of the year despite the Covid restrictions. Whitstable Pools and Fitness are opened January 2024.

The Community engagements returned with the Pier-to-Pier swim in July and the Oysterman triathlon in August, both generating over 300 entrants. School holiday camps returned in August with Whitstable Community College providing for the Afghan refugees and the Bay Arena for other under privileged groups.

Energy costs have been a challenge throughout the year as wholesale prices surged following the Russian invasion of Ukraine and the adverse impact on energy supplies.

Recruitment of key staff continues to prove challenging with unfilled vacancies leading to an inability to grow various income streams including swimming and classes.

I would like to put on record my gratitude to the whole team who have enabled the company to come through another particularly challenging year and remain committed to growing the business in 2023 and beyond.

In addition, I am looking forward to the charity delivering significant health and wellbeing benefits to our local communities in the year ahead.

Christine Longmire

.....
Christine Longmire

Date: 11 March 2024

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The accounting reference date is 29 December 2022, however, as is permitted the accounts have been made up for the period 1 January 2022 to 31 December 2022.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The objects of the Charitable Company are:

- to provide or assist in the provision of facilities and services for recreation and other leisure time occupation in the district of Canterbury in the interests of social welfare, such as facilities provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability may have need of special facilities and/or
- promote, maintain, improve and advance education primarily in the district of Canterbury for the benefit of the public particularly dramatic education and foster the public interest in arts.

Community services are provided from a range of facilities operated both independently and in partnership with educational establishments and local authorities. The facilities are in various locations including, Canterbury, Herne Bay and Whitstable.

The principal objectives of the Charitable Company are:

- To improve customer satisfaction
- To increase turnover
- To increase admissions
- To reduce energy consumption
- To increase health programme

Strategies for achieving objectives

The Charitable Company's five year Business Plan comprises of four key pillars:

- 1 Engaged, Agile and Motivated workforce
- 2 Revenue Development
- 3 Product Development and Systems Innovation
- 4 Environmental footprint

The four strategic pillars are underpinned by detailed strategic objectives to address short, medium and long-term priorities.

Examples include:

- An enhanced senior leadership team to ensure the effective implementation of the strategy and that teams are supported and developed at every level.
- A cross functional working approach to ensure the delivery of commercial objectives off the back of a collective package of strategic approaches.
- A product and digital transformation programme that will positively impact every aspect of their products and systems and associated staff and customer experience.
- Industry leading initiatives to reduce environmental costs and footprint.

The Charity's objectives will deliver exciting new products and services which are aligned to their vision, mission and values, and will deliver their ambitious plans for the next 5 years.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Public benefit statement

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees regularly consider how planned activities contribute to the charitable aims and objectives they have set.

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissions general guidance on public benefit.

The trustees acknowledge that the Charitable Company charges a fee for many of the services it provides. It is the opinion of the trustees however that the Charitable Company's pricing strategy, which enables increased access to sports facilities for a wide range of disadvantaged persons, including those on low incomes, coupled with the range of services that it provides for young people, the elderly and the disabled are such that the Charitable Company can demonstrate that it operates for the public benefit of the community that it serves.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

Statement of the Chief Executive

Once again, activity in 2022 was dominated and shaped by the Covid 19 pandemic and the impact felt across the leisure sector. The effect of the Omicron strain at the start of the year was to significantly reduce attendance numbers and revenues during the first three months of the year. Despite the impact of the crisis, the company has remained resolute and managed to grow trading income by over 70% year on year.

However, the cost base also grew by 14% year on year to reflect the increase in activity across the portfolio once the threat of Covid subsided. In addition, the organisation only received £35k in donation income received from the local authority and therefore had to rely on effective working capital management amidst a backdrop of turbulent macro-economic conditions and geo-political tensions. Prior year donation income was c.£1.4m largely driven by Covid-19 recovery funding.

In response, further operational improvements were made to the booking and admissions systems to drive up pre-bookings and on-line transactions. The customer journey has been overhauled with radical changes to booking and admissions systems which place greater emphasis on pre-booking and on-line transactions. Opening hours and activity programmes were further modified and aligned closely with evolving and changing customer demands (e.g. working from home).

The events of 2022 have culminated in the company making an accounting loss of £237k, which whilst disappointing, does demonstrate a significant uptick in underlying trading performance as the charity continues to re-build following the Covid-19 pandemic and subsequent impact on the leisure sector.

Further income growth and tighter control of expenditure were planned for 2023. However, the company continued to face macro-economic challenges including a cost of living crisis alongside significant increases in wholesale energy costs, which significantly impacted both income growth and expenditure containment.

The challenge to operators is to supply demand in a way that makes sense economically and reassures consumers that they are safe. Active Life has already made substantial progress on these fronts in 2022 and will continue to adapt its offer to meet consumer and public health needs.

Despite the challenging outlook the Trustees and Executive Management remain confident about the long-term viability of the business and its future development prospects.

Public Benefit

Active Life's vision is for everyone in the district to have an equal opportunity to be as physically and mentally healthy as possible by participating in active recreation. The company continues to undertake a significant amount work internally and with local partners to promote and deliver its health and wellbeing objectives.

Affordability and Equity of Access

Active Life's pricing policy is to maximise revenue whilst ensuring that no one is precluded from accessing the service on the grounds of price. Whatever price paid we want every customer to perceive the service provides them with excellent value. Market rates are charged for the majority with concessionary rates available for those on low incomes and to youngsters, students, clients with health issues, the retired, school groups and to families.

Our concession discount is 25% and available to over 65, full time students, low income and people with disabilities and extends to all membership group and all pay as you go rates. There is a flexible approach to family memberships. Summer camps offering sponsored places for children on free school meals. Funded disabled swimming sessions. Partnerships with other community centres including the Umbrella Centre, Kings Hall, and Herne Community Centre, plus schools, clubs, and universities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

Sports Development

The Sports Development function, which was integrated into Active Life from Canterbury City Council (CCC) several years ago, focuses on supporting the sector, advocacy and improving access for sport and physical activity. The programme is a mixture of initiative-taking and reactive support to the local community focusing on sport for good outcomes.

Health Promotion

Active Life's Health Promotion Programme aims to provide support to those with special medical conditions who may benefit from expertise and supervision to help improve their current health status and their health outcomes. The programme also aims to improve skill level, knowledge, sense of awareness, and social interaction through participating in regular physical activity. The sessions also target reductions in blood pressure, cholesterol, obesity, and stress.

Unlike most Exercise referral programmes nationally, Active Life provides an extensive weekly programme of classes in the halls, studios, and pools, to both support the 12-week Exercise Referral courses and provide ongoing classes to help clients maintain exercise and eventually graduate to mainstream activities if capable. Active 4 Life, (A4L) is the umbrella name for all our exercise classes directly targeting exercise referral members, the over 55's and the very unfit. The water fitness sessions are branded 'Aqua 4 Life'.

FINANCIAL REVIEW

Financial review

The accounting loss in 2022 has meant unrestricted funds are at a negative £59k; whilst this is obviously disappointing the mid to long term focus is to rebuild the Active Life brand and drive both site attendances and income streams following a series of strategic investments by Canterbury City Council.

The Kingsmead Leisure Centre (KLC) redevelopment project and the Whitstable new studio project, which includes full refurbishment of changing areas and extension to the gym were both delayed due to Covid. However, both project proposals were presented to CCC who formally signed them off in late 2022. The tender evaluation was then completed with building works expected to start in April 2023 and last for 18 months. The project is still on track and expected to be fully completed by September 2024. Whitstable Pools and Fitness opened in January 2024.

The Herons refurbishment project was completed during the early part of the year despite the Covid restrictions.

Reserves policy

The trustees have considered the risks and opportunities facing the company and identified a level of free cash reserves of £0.5m that it would be prudent to maintain. Cash reserves held at 31st December 2022 £0.54m (2021: £1.59m).

On 31 December 2022 net reserves were £59,318 in deficit (2021: £177,379 surplus) all of which were unrestricted funds meaning the charitable company held £nil restricted funds (2021: £nil).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

Going concern

The continued recovery from the Covid-19 pandemic, high utility prices, interest rates and subsequent cost of living crisis have all had a significant adverse impact on the charity and the parent company since 2020.

Management has produced forecasts that have been sensitised to reflect plausible downside scenarios from the disruption at Kingsmead Leisure Centre and the impact felt from the a cost of living crisis, which have been reviewed and approved by the Trustees. In 2023, and despite the challenges, the company is expected to see income growth and a reduced cost base that will provide a solid platform on which to start generating sustained surpluses from 2024/25 onwards.

The Group has been in extensive renewal negotiations with the bank to re-finance the £13m CLBILS loan, due to be repaid in full by November 2023. Discussions with the bank regarding the loan facility have now concluded and an 18-month extension has been granted that provides business certainty until May 2025. New financial covenants have been placed on the organisation that align to the revised 5-year business and financial projections, prepared by the Executive Team, and shared with the bank and external independent auditors.

On the basis that the facility extension agreement has now been awarded the Trustees are satisfied that the parent company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements. The refinancing of the loan and the revised financial covenants do still represent a material uncertainty that may cast doubt on the group and company's ability to continue as a going concern and therefore whether the group and charity will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Funds in deficit

As shown in the reverse policy, at 31 December 2022 net reserves were £59,318 in deficit. The going concern section above details reasoning for the deficit and actions taken.

These actions support the group and Charity's revised business plans and financial projections, in which the business is forecasted to be cash generative but this is largely dependent on the success of the Kingsmead redevelopment and the parent company's ability to service fixed charges with a suitable cover margin and generate a low surplus from the 2025/26 financial year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Constitution

The Charitable Company is registered as a member's limited liability company and was set up by a Memorandum of Association on 19 February 2002.

The Charitable Company is constituted under a Memorandum of Association dated 28 November 2002 and is a registered charity, number 1095215.

Method of appointment or election of Trustees

The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and decision making

The board of trustees of up to eight members meet a minimum of four times a year to administer the Charitable Company. The trustees appoint a Chief Executive, Anthony Cawley, to manage the day-to-day operations of the Charitable Company.

Induction and training of new trustees

New Trustees are provided with key documents relating to the work of Active Life and setting out their duties as Trustees, including the background to Active Life with centre profiles and staff structure, board structure, and other Trustee thumbnails; the governing document, last 2 years minutes of board meetings, annual reports and accounts, Active Life's recent strategic reviews, current business plan, and various guidance papers from the Charity Commission such as 'The Essential Trustee', 'The Hallmarks of an Effective Charity', and 'Charities and Risk Management'. Job Descriptions and Person Specifications are provided at the recruitment stage.

The Induction process includes a tour of all the facilities and Head Office by the Chief Executive meeting key members of the senior management team and staff. Opportunities for on-going training are made available if appropriate to enhancing the role of individual Trustees.

Remuneration policy for key management personnel

The pay and remuneration of key management personnel, and indeed all other staff, is set with reference to:

- A predefined pay structure containing incremental scales, based on the complexity and impact of the role.
- Benchmarking against similar organisations operating within the same sector.

Annual pay reviews take account of the following

- The cost of living
- A desire to maintain pay differentials whilst complying with legislation
- Market comparators
- The charity's development
- The charity's performance against objectives.

Risk management

The trustees have assessed the major risks to which the Charitable Company is exposed, in particular, those related to the operations and finances of the Charitable Company and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

Employee involvement and employment of people with disabilities

Employees are consulted on issues of concern to them by means of a regular consultative committee and staff meetings and are kept informed on specific matters directly by management.

The Charitable Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities
- Volunteers
- Health and safety

In accordance with the Charities equal opportunities policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Active Life Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 that period. In preparing those 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 2019 (FRS102).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 11 March 2024 and signed on its behalf by:

Christine Longmire

.....
C Longmire - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

Opinion

We have audited the financial statements of Active Life Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that the continued recovery from the COVID-19 pandemic along with impact of high utility prices, interest rates and subsequent cost of living crisis have all had a significant adverse impact on the charity.

As stated in note 1 these events or conditions, along with other matters as set forth in note 1 indicate that a material uncertainty exists which may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

Our 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 a Report of the Independent Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and our experience of the sector;
- 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 company, including, but not limited to, the Companies Act 2006 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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 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.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- 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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and Companies House records.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

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 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 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 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.

L

Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 11 March 2024

ACTIVE LIFE LIMITED**STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	7,371	34,648	42,019	1,376,732
Charitable activities	4				
Charitable activities		3,743,752	-	3,743,752	2,183,270
Investment income	3	<u>4,050</u>	<u>-</u>	<u>4,050</u>	<u>934</u>
Total		<u>3,755,173</u>	<u>34,648</u>	<u>3,789,821</u>	<u>3,560,936</u>
EXPENDITURE ON					
Charitable activities	5				
Charitable activities		<u>3,991,870</u>	<u>34,648</u>	<u>4,026,518</u>	<u>3,542,750</u>
NET INCOME/(EXPENDITURE)		(236,697)	-	(236,697)	18,186
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>177,379</u>	<u>-</u>	<u>177,379</u>	<u>159,193</u>
TOTAL FUNDS CARRIED FORWARD		<u>(59,318)</u>	<u>-</u>	<u>(59,318)</u>	<u>177,379</u>

The notes form part of these financial statements

ACTIVE LIFE LIMITED (REGISTERED NUMBER: 04376721)**BALANCE SHEET**
31 DECEMBER 2022

	Notes	31.12.22 £	31.12.21 £
FIXED ASSETS			
Tangible assets	13	181,632	261,598
CURRENT ASSETS			
Stocks	14	7,767	1,952
Debtors	15	59,018	23,031
Cash at bank		<u>540,193</u>	<u>1,590,129</u>
		606,978	1,615,112
CREDITORS			
Amounts falling due within one year	16	(847,928)	(1,699,331)
		<u>(847,928)</u>	<u>(1,699,331)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(240,950)</u>	<u>(84,219)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(59,318)	177,379
NET ASSETS		<u>(59,318)</u>	<u>177,379</u>
FUNDS	20		
Unrestricted funds		<u>(59,318)</u>	<u>177,379</u>
TOTAL FUNDS		<u>(59,318)</u>	<u>177,379</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 11 March 2024 and were signed on its behalf by:

Christine Longmire

.....
C Longmire - Trustee

ACTIVE LIFE LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(985,670)</u>	<u>1,059,822</u>
Net cash (used in)/provided by operating activities		<u>(985,670)</u>	<u>1,059,822</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,462)	(3,255)
Interest received		4,050	934
Interest paid		<u>(1,188)</u>	<u>(9,786)</u>
Net cash used in investing activities		<u>(4,600)</u>	<u>(12,107)</u>
Cash flows from financing activities			
Loan repayments in year		(12,500)	(50,000)
Capital repayments in year		<u>(47,166)</u>	<u>(54,448)</u>
Net cash used in financing activities		<u>(59,666)</u>	<u>(104,448)</u>
Change in cash and cash equivalents in the reporting period		(1,049,936)	943,267
Cash and cash equivalents at the beginning of the reporting period		<u>1,590,129</u>	<u>646,862</u>
Cash and cash equivalents at the end of the reporting period		<u>540,193</u>	<u>1,590,129</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.22 £	31.12.21 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(236,697)	18,186
Adjustments for:		
Depreciation charges	87,428	145,411
Interest received	(4,050)	(934)
Interest paid	1,188	9,786
Increase in stocks	(5,815)	(1,952)
Increase in debtors	(35,987)	(23,031)
(Decrease)/increase in creditors	<u>(791,737)</u>	<u>912,356</u>
Net cash (used in)/provided by operations	<u>(985,670)</u>	<u>1,059,822</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	<u>1,590,129</u>	<u>(1,049,936)</u>	<u>540,193</u>
	<u>1,590,129</u>	<u>(1,049,936)</u>	<u>540,193</u>
Debt			
Finance leases	(47,166)	47,166	-
Debts falling due within 1 year	<u>(12,500)</u>	<u>12,500</u>	<u>-</u>
	<u>(59,666)</u>	<u>59,666</u>	<u>-</u>
Total	<u>1,530,463</u>	<u>(990,270)</u>	<u>540,193</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Statutory information

Active Life Limited is a registered charity and a company limited by guarantee. The charitable company's registered number and registered office address can be found under reference and administrative details in the report of the trustees.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102. The Society constitutes a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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.

Going Concern

The Trustees consider it appropriate to prepare the financial statements on a going concern basis which assumes that the charity will continue to have sufficient resources available to it to continue trading for at least 12 months. However, there are material uncertainties that may impact this assessment related to the events and conditions set out below that may cast significant doubt upon the charity and group's ability to continue as a going concern and therefore whether the charity and group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

It should be noted that the continued recovery from the Covid-19 pandemic, high utility prices, interest rates and subsequent cost of living crisis have all had a significant adverse impact on the charity and the parent company since 2020.

The Parent Company has material uncertainties relating to going concern including a £13m CLBIL liability that has now successfully secured an 18 month facility extension until May 2025. New financial covenants have been placed on the charity that align to the revised 5-year business and financial projections, prepared by the Executive Team, and shared with the bank and external auditors. It is noted that if the groups forecasts do not support the covenants the bank may determine immediate repayment of the loan, all interest accrued and all other sums payable by the Borrower under the agreement, this would be catastrophic for the group and would directly impact the charity's ability to continue as a going concern.

The negative reserves at the balance sheet date for the Charity along with deficits in the next financial period mean if the financial performance does not improve it may cast significant doubt over the future of the charity. The charity and parent have taken extensive action to mitigate the financial risk of the crises.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Basis of preparing the financial statements

The Executive Team of the group has prepared financial models forecasting performance for the next 4 years for the group as a whole including the charitable company. The charitable company is forecasted to make surpluses in future periods but this is largely dependent on the success of the Kingsmead redevelopment.

Although it is not certain that these efforts will be successful, the Board and the Executive Team have determined that the actions that it has taken should be sufficient to mitigate the uncertainties and has therefore prepared the financial statements on a going concern basis.

There are material uncertainties related to the events and conditions set out above that may cast significant doubt upon the charity and parent company's ability to continue as a going concern and therefore whether the charity will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the society's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets.

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is recognised when net sales of goods and services and management fees excluding value added tax have been delivered to customers such that risks and rewards of ownership have transferred to them. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

Grants Receivable and Management Fees

Grants receivable and management fees in respect of a specified period relating to the general activities of the charitable company are recognised in the income and expenditure account in the period in which they become receivable.

Government Grants

Government grants are recognised when the performance related conditions imposed upon the receipt of the grant have been met. Where these have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, 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.

Irrecoverable VAT

Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- over remaining term of lease
Plant and machinery	- 50% on cost and 20% on cost
Computer equipment	- 33% on cost and 20% on cost

All fixed asset purchases in excess of £1,000 are capitalised.

Stocks

Inventories have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Taxation

The Charitable Company 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.

Fund accounting

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.

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.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Functional currency and presentation currency

The Charitable Company's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the Charitable Company. The financial statements are therefore presented in British Pound Sterling.

Leasing and hire purchase

Property, plant and equipment acquired under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Concessionary Loan

Concessionary loans include those payable to a third party which are interest free and are made to advance charitable purposes. In accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" effective 1 January 2015, concessionary loan are recognised at the amount received. The notional interest associated with a concessionary loan is recognised in the Statement of Financial Activities.

Service Concession Arrangements

The Charitable Company has a Service Contract with a Local Authority for the maintenance and operation of leisure centres owned by the Local Authority to which it has a lease and management service contract. The Authority has rights under the contract to specify the activities offered by the centres and have influence over the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contract specifies minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued**Debtors****Property, plant and equipment**

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charitable Company's Balance Sheet.

Company status

The company is limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Donations	<u>7,371</u>	<u>34,648</u>	<u>42,019</u>	<u>1,376,732</u>

In 2022 Active Life received £7,371 of other donations (unrestricted) (2021: £nil).

£34,648 (2021: £nil) (restricted) of Holiday Activities and Food Programme funding was received.

£nil (2021: £800,721) (restricted) of grant funding from the government's Job Retention Scheme.

£nil (restricted) (2021: £375,572) and £nil (unrestricted) (2021: £163,713) from Canterbury City Council on behalf of the National Leisure Recovery Fund and Restart Grants respectively.

£nil for the Sports Development Project (2021: £36,726 - unrestricted).

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Deposit account interest	<u>4,050</u>	<u>-</u>	<u>4,050</u>	<u>934</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.22	31.12.21
	Activity	£	£
Leisure centre income	Charitable activities	3,587,752	2,027,270
Management fees	Charitable activities	<u>156,000</u>	<u>156,000</u>
		<u><u>3,743,752</u></u>	<u><u>2,183,270</u></u>

£156,000 (2021: £156,000) (unrestricted) was received from Canterbury City Council for the management of leisure centres.

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activities	<u>3,994,537</u>	<u>31,981</u>	<u><u>4,026,518</u></u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.22	31.12.21
	£	£
Staff costs	2,404,245	2,546,853
Leasing	9,158	9,786
Activity costs	21,754	9,863
Insurance	53,515	44,315
Post, stationery and publicity	7,823	444
Licences	43,842	33,402
Computer costs	46,993	58,742
Purchases for resale	40,759	6,202
Legal and professional fees	750	50
Property expenses	835,855	418,020
Telephone	1,121	4,309
Sundry expenses	1,768	1,912
Bank charges	21,103	9,867
Equipment repairs and renewals	137,300	58,145
Training	547	631
Travelling	2,891	1,714
Uniforms	528	819
Publicity and marketing	(605)	765
Subscriptions	3,611	6,328
Irrecoverable VAT	219,935	92,972
Interest payable	52,406	29,679
Bad debts	1,810	-
Depreciation	<u>87,428</u>	<u>145,411</u>
	<u><u>3,994,537</u></u>	<u><u>3,480,229</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>22,577</u>	<u>9,404</u>	<u>31,981</u>

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and wellbeing services. Governance costs are made up of auditor's remuneration of £9,404 (2021: £5,189).

Support costs, included in the above, are as follows:

	31.12.22 Charitable activities £	31.12.21 Total activities £
Rent	22,577	57,332
Auditors' remuneration	<u>9,404</u>	<u>5,189</u>
	<u>31,981</u>	<u>62,521</u>

8. NET INCOME/(EXPENDITURE)

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

	31.12.22 £	31.12.21 £
Depreciation - owned assets	19,892	68,643
Depreciation - assets on hire purchase contracts and finance leases	67,536	76,768
Hire of plant and machinery	<u>9,158</u>	<u>9,786</u>

9. AUDITORS' REMUNERATION

	31.12.22 £	31.12.21 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>9,404</u>	<u>5,189</u>

The auditor's remuneration amounts to an audit fee of £9,404 (2021: £5,189).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

11. STAFF COSTS

	31.12.22	31.12.21
	£	£
Wages and salaries	2,124,977	2,268,350
Social security costs	124,059	108,630
Other pension costs	<u>155,209</u>	<u>169,873</u>
	<u><u>2,404,245</u></u>	<u><u>2,546,853</u></u>

The average monthly number of employees during the year was as follows:

	31.12.22	31.12.21
Full time	29	33
Part time	<u>221</u>	<u>251</u>
	<u><u>250</u></u>	<u><u>284</u></u>

No employee received remuneration in excess of £60,000 in 2022 or 2021.

The total amount of employee benefits received by key management personnel is £146K (2021: £185K). In 2022 key management personnel comprised Neil Mason (left May 2022), Giles Seaford, Carol Gillatt and Derek Hambidge.

During the year, the company entered into a settlement agreement with a member of staff, which gave rise to a ex gratia payment totalling £7,033 (2021: £Nil).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	200,439	1,176,293	1,376,732
Charitable activities			
Charitable activities	2,183,270	-	2,183,270
Investment income	934	-	934
Total	<u>2,384,643</u>	<u>1,176,293</u>	<u>3,560,936</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>2,366,457</u>	<u>1,176,293</u>	<u>3,542,750</u>
NET INCOME	18,186	-	18,186
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	370,413	-	370,413
Prior year adjustment	<u>(211,220)</u>	<u>-</u>	<u>(211,220)</u>
As restated	159,193	-	159,193
TOTAL FUNDS CARRIED FORWARD	<u>177,379</u>	<u>-</u>	<u>177,379</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2022	1,184,103	1,401,297	120,817	2,706,217
Additions	-	7,462	-	7,462
At 31 December 2022	1,184,103	1,408,759	120,817	2,713,679
DEPRECIATION				
At 1 January 2022	1,184,103	1,139,699	120,817	2,444,619
Charge for year	-	87,428	-	87,428
At 31 December 2022	1,184,103	1,227,127	120,817	2,532,047
NET BOOK VALUE				
At 31 December 2022	-	181,632	-	181,632
At 31 December 2021	-	261,598	-	261,598

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2022	460,942
Transfer to ownership	(249,292)
At 31 December 2022	211,650
DEPRECIATION	
At 1 January 2022	223,483
Charge for year	67,536
Transfer to ownership	(199,029)
At 31 December 2022	91,990
NET BOOK VALUE	
At 31 December 2022	119,660
At 31 December 2021	237,459

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

14. STOCKS

	31.12.22	31.12.21
	£	£
Stocks	<u>7,767</u>	<u>1,952</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade debtors	25,335	10,058
Other debtors	2,729	1,118
Prepayments and accrued income	<u>30,954</u>	<u>11,855</u>
	<u>59,018</u>	<u>23,031</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Other loans (see note 17)	-	12,500
Hire purchase (see note 18)	-	47,166
Trade creditors	234,872	63,690
Amounts owed to group undertakings	79,236	816,420
Social security and other taxes	30,817	33,887
Other creditors	16,342	55,750
Accrued expenses	442,571	621,278
Deferred income	<u>44,090</u>	<u>48,640</u>
	<u>847,928</u>	<u>1,699,331</u>

DEFERRED INCOME

	2022	2021
Deferred income as at 1 January	48,640	-
Resources deferred in the year	44,090	48,640
Amounts released from previous periods	<u>(48,640)</u>	<u>-</u>
Deferred income as at 31 December	<u>44,090</u>	<u>48,640</u>

At the balance sheet date, the charitable company held deferred income of £44,090 (2021: £48,640) relating to income received in advanced to be credited to the revenue account in the future as and when appropriate. This figure consists of annual management fees released over the term of the contract; memberships paid by customers for use over a period of time and invoiced income where the prepaid event has not yet occurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

17. LOANS

An analysis of the maturity of loans is given below:

	31.12.22 £	31.12.21 £
Amounts falling due within one year on demand:		
Other loans	<u>-</u>	<u>12,500</u>

The loan was fully repaid in 2022, no interest was chargeable on the other loan during the year.

18. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.12.22 £	31.12.21 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>47,166</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Fixed assets	181,632	-	181,632	261,598
Current assets	606,978	-	606,978	1,615,112
Current liabilities	<u>(847,928)</u>	<u>-</u>	<u>(847,928)</u>	<u>(1,699,331)</u>
	<u>(59,318)</u>	<u>-</u>	<u>(59,318)</u>	<u>177,379</u>

20. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	177,379	(236,697)	(59,318)
	<u>177,379</u>	<u>(236,697)</u>	<u>(59,318)</u>
TOTAL FUNDS	<u>177,379</u>	<u>(236,697)</u>	<u>(59,318)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,755,173	(3,991,870)	(236,697)
Restricted funds			
Holiday Activities and Food Programme	34,648	(34,648)	-
TOTAL FUNDS	<u>3,789,821</u>	<u>(4,026,518)</u>	<u>(236,697)</u>

Comparatives for movement in funds

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.21 £
Unrestricted funds				
General fund	370,413	(211,220)	18,186	177,379
TOTAL FUNDS	<u>370,413</u>	<u>(211,220)</u>	<u>18,186</u>	<u>177,379</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,384,643	(2,366,457)	18,186
Restricted funds			
National Leisure Recovery Fund	375,572	(375,572)	-
Coronavirus Job Retention Scheme	800,721	(800,721)	-
	<u>1,176,293</u>	<u>(1,176,293)</u>	<u>-</u>
TOTAL FUNDS	<u>3,560,936</u>	<u>(3,542,750)</u>	<u>18,186</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.22 £
Unrestricted funds				
General fund	370,413	(211,220)	(218,511)	(59,318)
TOTAL FUNDS	<u>370,413</u>	<u>(211,220)</u>	<u>(218,511)</u>	<u>(59,318)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,139,816	(6,358,327)	(218,511)
Restricted funds			
National Leisure Recovery Fund	375,572	(375,572)	-
Coronavirus Job Retention Scheme	800,721	(800,721)	-
Holiday Activities and Food Programme	34,648	(34,648)	-
	1,210,941	(1,210,941)	-
TOTAL FUNDS	<u>7,350,757</u>	<u>(7,569,268)</u>	<u>(218,511)</u>

Restricted funds comprise:

Coronavirus Job Retention Scheme (CJRS)

Government grant income used to cover a portion of the employees' wages who were furloughed due to the coronavirus pandemic.

National Leisure Recovery Fund

UK Government fund to support leisure centre operators reopen following the enforced closures in response to the coronavirus pandemic. The fund is restricted for use towards the costs of running the respective charity's leisure centres where claims were made, including utilities, staff (who have not been furloughed), essential asset maintenance and security costs.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**21. OTHER FINANCIAL COMMITMENTS****Concessionary Loans Payable**

	31.12.22	31.12.21
Canterbury City Council	=	<u>12,500</u>

The Canterbury City Loan terms of repayment were quarterly payments of £12,500 (last one in 2022) and is interest free.

22. RELATED PARTY DISCLOSURES

D Barley and J Barley, family members of R Barley, a trustee, are employed by the trust. Both employee appointments were made in open competition and R Barley was not involved in the decision-making process regarding the appointment. Both employees are paid within the normal pay scale for their roles and received no special treatment as a result of their relationship to a trustee. D Barley's salary during the year under review was £50 (2021: £1,647). J Barley's salary during the year under review was £296 (2021: £nil).

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Fusion Lifestyle a registered charity (charity registration number: 1107737).

ACTIVE LIFE LIMITED

England & Wales - Charity number 1095215

Accounts

REGISTERED COMPANY NUMBER: 04376721 (England and Wales)
REGISTERED CHARITY NUMBER: 1095215

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
ACTIVE LIFE LIMITED

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Reference and Administrative Details	1
Chairman's Report	2
Report of the Trustees	3 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 29

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES	S P Jones G S Knox C Longmire N E Wells R Thomas R Barley E A Taylor (resigned 9.2.22)
REGISTERED OFFICE	Minerva House 5 Montague Close London SE1 9BB
REGISTERED COMPANY NUMBER	04376721 (England and Wales)
REGISTERED CHARITY NUMBER	1095215
AUDITORS	McCabe Ford Williams Statutory Auditors and Chartered Accountants Bank Chambers 1 Central Avenue Sittingbourne Kent ME10 4AE
BANKERS	National Westminster Bank City Centre Branch 11 The Parade Canterbury Kent CT1 2SQ
SOLICITORS	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

ACTIVE LIFE LIMITED

CHAIRMAN'S REPORT **FOR THE YEAR ENDED 31 DECEMBER 2021**

2021 was once again largely dominated by the Covid pandemic and proved another challenging year for staff and customers alike. We have been able to offer our customers normal services for 8 months of the year. For the first four months of 2021 our facilities were closed entirely during national lockdowns or operating under Covid restrictions. Even once we were permitted to open, our capacities have been reduced significantly and our normal range of services significantly reduced.

For much of the year, many staff were still placed on furlough and did not return to work until the scheme officially ended in September. Despite the disruption and uncertainty throughout the year, I am pleased with the way the company has managed to steadily rebuild its income streams and customer attendance numbers.

We managed to secure a significant amount of grant and other recovery funding which allowed the business to generate a small profit too. During early 2021, we continued with our on-line activities in attempt to maintain customer engagement with very positive feedback from our members. Now Covid restrictions are lifted we strongly believe the need for the charity's services will be greater than ever. With the support from Canterbury City Council and the Fusion group, I am confident Active Life is well placed to continue to grow and offer a wide range of sporting activities to the local communities.

I would like to put on record my gratitude to the whole team who have enabled the company to come through another very challenging year, and remain committed to growing the business in 2022 and beyond.

In addition, I am looking forward to the charity delivering significant health and wellbeing benefits to our local communities in the year ahead.

Christine Longmire

Christine Longmire
Chairman

25 April 2022

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The objects of the Charitable Company are:

- to provide or assist in the provision of facilities and services for recreation and other leisure pursuits in the interest of social welfare across the District of Canterbury and for the benefit of the public at large.
- to promote health and wellbeing within local communities and provide rehabilitation services via GP referrals.

Public benefit statement

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees regularly consider how planned activities contribute to the charitable aims and objectives they have set.

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissions general guidance on public benefit.

The trustees acknowledge that the Charitable Company charges a fee for many of the services it provides. It is the opinion of the trustees however that the Charitable Company's pricing strategy, which enables increased access to sports facilities for a wide range of disadvantaged persons, including those on low incomes, coupled with the range of services that it provides for young people, the elderly and the disabled are such that the Charitable Company can demonstrate that it operates for the public benefit of the community that it serves.

There have been no changes in the objectives since the last annual report.

Strategies for achieving objectives

- To increase admissions
- To increase the health promotion programme
- To increase turnover
- To reduce energy consumption
- To improve customer satisfaction

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

Statement of the Chief Executive

2021 had a challenging start with all facilities closed for the first four months due to the on-going Covid pandemic. The effect of the national lockdowns was to reduce normal customer revenues to zero for the first quarter in 2021. The company took drastic and rapid action to protect itself including the development of alternative on-line revenues and the shutdown of all non-essential operational and workforce costs.

When the Company was permitted to reopen it faced two major challenges:

- new operating restrictions which significantly reduced capacity and types of services that could be offered
- consumer fears about the risk of infection with a resultant drop in demand.

In response to these challenges the company has affected comprehensive improvements to its operations. The customer journey has been overhauled with radical changes to booking and admissions systems which place greater emphasis on pre-booking and on-line transactions. Opening hours and activity programmes have been modified and aligned closely with customer demand with agile response built-in to fluctuations in that demand. The physical journey through sites has been modified to ensure safe distancing, cleaning and hygiene regimes have been totally overhauled. Customer feedback on the new protocols is positive both in terms of safety and quality of experience.

The company effectively traded for only eight months of the year, yet despite the restrictions, still managed to grow income by 5% on the previous year. The events of 2021 have culminated in the company making an accounting profit of £18k (£595k loss in 2020)

The recovery plan is supported by external funding. In 2021 Active Life received £800k of grant funding from the Governments Job Retention Scheme. In addition, Active Life received £375.6k and £164k from Canterbury Council on behalf of the National Leisure Recovery Fund and Restart Grants, respectively.

The company continues to face uncertainty and challenges in 2022. The rising cost of living coupled with significant increases in wholesale energy costs will prove challenging when trying to rebuild our membership and grow income streams to meet rising costs

The above actions support the company's business plans and financial projections, in which the business is cash generative, able to service fixed charges with a suitable safety margin and generate a profit in 2022.

It is clear, the wider economy and consumer spending will remain suppressed throughout 2022 given the current geo-political backdrop. Leisure spending has fared well in previous downturns and Active Life has seen no evidence that the long-term trends on participation in fitness and physical activities will be adversely affected by the pandemic. The challenge to operators is to supply this demand in a way that makes sense economically and reassures consumers that they are safe. Active Life has already made substantial progress on these fronts in 2021 and will continue to adapt its offer to meet consumer and public health needs. Despite the challenging outlook the Trustees and Management remain confident about the long-term viability of the business and its future development prospects.

Public Benefit

Active Life's vision is for everyone in the district to have an equal opportunity to be as physically and mentally healthy as possible by participating in active recreation. In normal years Active Life undertakes a significant amount of work internally and with local partners to promote and deliver its health and wellbeing objectives. This work was once again disrupted in 2021, but the infrastructure including Group support remains in place to ramp up activities in line with targets set for 2022.

Affordability and Equity of Access

Active Life's pricing policy is to maximise revenue whilst ensuring that no one is precluded from accessing the service on the grounds of price. Whatever price paid we want every customer to perceive the service provides them with excellent value. Market rates are charged for the majority with concessionary rates available for those on low incomes and to youngsters, students, clients with health issues, the retired, school groups and to families.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Our concession discount is 25% and available to over 65, full time students, low income and people with disabilities and extends to all membership group and all pay as you go rates. There is a flexible approach to family memberships. Summer camps offering sponsored places for children on free school meals. Funded disabled swimming sessions. Partnerships with other community centres including the Umbrella Centre, Kings Hall, and Herne Community Centre, plus schools, clubs, and universities.

Sports Development

The Sports Development function, which was integrated into Active Life from Canterbury City Council a few years ago, focuses on supporting the sector, advocacy and improving access for sport and physical activity. The programme is a mixture of proactive and reactive support to the local community focusing on sport for good outcomes.

Health Promotion

Active Life's Health Promotion Programme aims to provide support to those with special medical conditions who may benefit from expertise and supervision to help improve their current health status and their health outcomes. The programme also aims to improve skill level, knowledge, sense of awareness, and social interaction through participating in regular physical activity. The sessions also target reductions in blood pressure, cholesterol, obesity, and stress.

Unlike most Exercise referral programmes nationally, Active Life provides an extensive weekly programme of classes in the halls, studios, and pools, to both support the 12-week Exercise Referral courses and provide ongoing classes to help clients maintain exercise and eventually graduate to mainstream activities if capable. Active 4 Life, (A4L) is the umbrella name for all our exercise classes directly targeting exercise referral members, the over 55's and the very unfit. The water fitness sessions are branded 'Aqua 4 Life'.

FINANCIAL REVIEW

Financial review

The accounting profit in 2021 has stabilised unrestricted funds brought forward; whilst this is obviously welcome the short to medium term focus is on treasury management and sustained profitability.

Management has produced forecasts that have been sensitised to reflect plausible downside scenarios as a result of Covid-19 and the wider economic conditions, which have been reviewed by the directors. These demonstrate the company is forecast to generate profits and cash in the year ending 31 December 2022 and beyond and that the company has sufficient cash reserves to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements.

As such, the directors are satisfied that the company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

Reserves policy

The trustees have considered the risks and opportunities facing the company and identified a level of cash reserves, £500k that it would be prudent to maintain. Cash reserves held at 31st December 2021 £1.6m (2020: £647k).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charitable Company is registered as a member's limited liability company and was set up by a Memorandum of Association on 19 February 2002.

The Charitable Company is constituted under a Memorandum of Association dated 28 November 2002 and is a registered charity, number 1095215.

Method of appointment or election of Trustees

The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

ACTIVE LIFE LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2021**

Induction and training of new trustees

New Trustees are provided with key documents relating to the work of Active Life and setting out their duties as Trustees, including the background to Active Life with centre profiles and staff structure, board structure, and other Trustee thumbnails; the governing document, last 2 years minutes of board meetings, annual reports and accounts, Active Life's recent strategic reviews, current business plan, and various guidance papers from the Charity Commission such as 'The Essential Trustee', 'The Hallmarks of an Effective Charity', and 'Charities and Risk Management'. Job Descriptions and Person Specifications are provided at the recruitment stage.

The Induction process includes a tour of all the facilities and Head Office by the Chief Executive meeting key members of the senior management team and staff. Opportunities for on-going training are made available if appropriate to enhancing the role of individual Trustees.

Remuneration policy for key management personnel

The pay and remuneration of key management personnel, and indeed all other staff, is set with reference to:

- A predefined pay structure containing incremental scales, based on the complexity and impact of the role.
- Benchmarking against similar organisations operating within the same sector.

Annual pay reviews take account of the following

- The cost of living
- A desire to maintain pay differentials whilst complying with legislation
- Market comparators
- The charity's development
- The charity's performance against objectives.

Organisational structure and decision making

The board of trustees of up to eight members meet a minimum of four times a year to administer the Charitable Company. There is also a subcommittee to cover Finance and General Purposes. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charitable Company.

Risk management

The trustees have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are consulted on issues of concern to them by means of a regular consultative committee and staff meetings and are kept informed on specific matters directly by management.

The Charitable Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities
- Volunteers
- Health and safety

In accordance with the Charities equal opportunities policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Active Life Limited for the purposes of company law) are responsible for preparing the Annual 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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 25 April 2022 and signed on its behalf by:

Christine Longmire

.....
C Longmire - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED**

Opinion

We have audited the financial statements of Active Life Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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 Report of the Independent Auditors 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and our experience of the sector;
- 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 company, including, but not limited to, the Companies Act 2006 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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 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.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- 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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and Companies House records.

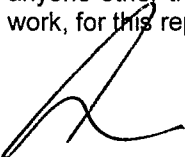
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LIFE LIMITED

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 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 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.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 25/4/2022 .

ACTIVE LIFE LIMITED**STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted fund £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	200,439	1,176,293	1,376,732	1,306,624
Charitable activities	4				
Charitable activities		2,183,270	-	2,183,270	2,056,862
Investment income	3	<u>934</u>	<u>-</u>	<u>934</u>	<u>1,252</u>
Total		2,384,643	1,176,293	3,560,936	3,364,738
EXPENDITURE ON					
Charitable activities	5				
Charitable activities		<u>2,366,457</u>	<u>1,176,293</u>	<u>3,542,750</u>	<u>3,959,080</u>
NET INCOME/(EXPENDITURE)		18,186	-	18,186	(594,342)
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		370,413	-	370,413	753,535
Prior year adjustment	13	<u>(211,220)</u>	<u>-</u>	<u>(211,220)</u>	<u>-</u>
As restated		<u>159,193</u>	<u>-</u>	<u>159,193</u>	<u>753,535</u>
TOTAL FUNDS CARRIED FORWARD		<u>177,379</u>	<u>-</u>	<u>177,379</u>	<u>159,193</u>

The notes form part of these financial statements

ACTIVE LIFE LIMITED (REGISTERED NUMBER: 04376721)**BALANCE SHEET**
31 DECEMBER 2021

		31.12.21	31.12.20
	Notes	£	as restated £
FIXED ASSETS			
Tangible assets	14	261,598	403,754
CURRENT ASSETS			
Stocks	15	1,952	-
Debtors	16	23,031	-
Cash at bank		<u>1,590,129</u>	<u>646,862</u>
		1,615,112	646,862
CREDITORS			
Amounts falling due within one year	17	(1,699,331)	(831,757)
NET CURRENT ASSETS		<u>(84,219)</u>	<u>(184,895)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		177,379	218,859
CREDITORS			
Amounts falling due after more than one year	18	-	(59,666)
NET ASSETS		<u>177,379</u>	<u>159,193</u>
FUNDS	22		
Unrestricted funds		<u>177,379</u>	<u>159,193</u>
TOTAL FUNDS		<u>177,379</u>	<u>159,193</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 April 2022 and were signed on its behalf by:

Christine Longmire

.....
C Longmire - Trustee

The notes form part of these financial statements

ACTIVE LIFE LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>1,059,822</u>	<u>790,790</u>
Net cash provided by operating activities		<u>1,059,822</u>	<u>790,790</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,255)	(225,698)
Interest received		934	1,252
Interest paid		<u>(9,786)</u>	<u>(8,590)</u>
Net cash used in investing activities		<u>(12,107)</u>	<u>(233,036)</u>
Cash flows from financing activities			
Loan repayments in year		(50,000)	(37,500)
Capital repayments in year		<u>(54,448)</u>	<u>(38,774)</u>
Net cash used in financing activities		<u>(104,448)</u>	<u>(76,274)</u>
Change in cash and cash equivalents in the reporting period		943,267	481,480
Cash and cash equivalents at the beginning of the reporting period		<u>646,862</u>	<u>165,382</u>
Cash and cash equivalents at the end of the reporting period		<u>1,590,129</u>	<u>646,862</u>

The notes form part of these financial statements

ACTIVE LIFE LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.12.21	31.12.20 as restated
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	18,186	(594,342)
Adjustments for:		
Depreciation charges	145,411	177,215
Interest received	(934)	(1,252)
Interest paid	9,786	8,590
(Increase)/decrease in stocks	(1,952)	27,088
(Increase)/decrease in debtors	(23,031)	680,110
Increase in creditors	912,356	493,381
Net cash provided by operations	1,059,822	790,790

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	646,862	943,267	1,590,129
	<u>646,862</u>	<u>943,267</u>	<u>1,590,129</u>
Debt			
Finance leases	(101,614)	54,448	(47,166)
Debts falling due within 1 year	(50,000)	37,500	(12,500)
Debts falling due after 1 year	(12,500)	12,500	-
	<u>(164,114)</u>	<u>104,448</u>	<u>(59,666)</u>
Total	482,748	1,047,715	1,530,463

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Statutory information

Active Life Limited is a registered charity and a company limited by guarantee. The charitable company's registered number and registered office address can be found under reference and administrative details in the report of the trustees.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102. The Society constitutes a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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.

Going Concern

The Coronavirus pandemic led to significant deterioration of the charity's financial position, owing to the Government restrictions introduced to limit the spread of the Covid-19 virus. In the face of reduced revenue and a slow recovery, the company has been restructured to substantially reduce its cost base; implemented improved and efficient operating protocols; and developed new on-line revenue streams and customer engagement systems.

The company now has extensive experience of operating a Covid-secure environment. It also has extensive experience of shutting down operations quickly, at minimal cost and then maintaining them in a safe closed state at a minimal cost.

From 19 July 2021 all restrictions upon the charity's operation of its leisure centres were eased, which has allowed trading performance to improve and contributed towards a surplus for the year of £18,186 compared to a deficit of £594,342 in 2020.

All the above support financial projections in which the business is cash generative, able to service fixed charges with a suitable safety margin and continue to generate an accounting surplus. For this reason, the Board continue to adopt the going concern basis for preparing these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the society's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is recognised when net sales of goods and services and management fees excluding value added tax have been delivered to customers such that risks and rewards of ownership have transferred to them. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

Grants Receivable and Management Fees

Grants receivable and management fees in respect of a specified period relating to the general activities of the charitable company are recognised in the income and expenditure account in the period in which they become receivable.

Government Grants

Government grants are recognised when the performance related conditions imposed upon the receipt of the grant have been met. Where these have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable.

During the year, the Charity received the following grants:

Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic.

National Leisure Recovery Fund (NLRF) payments to support the reopening of leisure centres to the public as government restrictions were lifted during the year.

Government Business Grants relating to the retail, hospitality and leisure industries awarded during the lockdown periods.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, 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.

Irrecoverable VAT

Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Improvements to property	- over remaining term of lease
Plant and machinery	- 50% on cost and 20% on cost
Computer equipment	- 33% on cost and 20% on cost

All fixed asset purchases in excess of £1,000 are capitalised.

Stocks

Inventories have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Taxation

The Charitable Company 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.

Fund accounting

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.

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.

Investment income, gains and losses are allocated to the appropriate fund.

Functional currency and presentation currency

The Charitable Company's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the Charitable Company. The financial statements are therefore presented in British Pound Sterling.

Leasing and hire purchase

Property, plant and equipment acquired under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Concessionary Loan

Concessionary loans include those payable to a third party which are interest free and are made to advance charitable purposes. In accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" effective 1 January 2015, concessionary loan are recognised at the amount received. The notional interest associated with a concessionary loan is recognised in the Statement of Financial Activities.

Service Concession Arrangements

The Charitable Company has a Service Contract with a Local Authority for the maintenance and operation of leisure centres owned by the Local Authority to which it has a lease and management service contract. The Authority has rights under the contract to specify the activities offered by the centres and have influence over the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contract specifies minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

Property, plant and equipment

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charitable Company's Balance Sheet.

Company status

The company is limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. DONATIONS AND LEGACIES

			31.12.21	31.12.20 as restated
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Donations	<u>200,439</u>	<u>1,176,293</u>	<u>1,376,732</u>	<u>1,306,624</u>

In 2021 Active Life received £800,721 (2020: £1.3M) (restricted) of grant funding from the government's Job Retention Scheme.

In 2021 Active Life received £375,572 (restricted) and £163,713 (unrestricted) from Canterbury City Council on behalf of the National Leisure Recovery Fund and Restart Grants respectively, (2020: £Nil).

ACTIVE LIFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****2. DONATIONS AND LEGACIES - continued**

£36,726 (unrestricted) was also received for the Sports Development Project (2020: £Nil).

3. INVESTMENT INCOME

		31.12.21	31.12.20 as restated
	Unrestricted funds	Total funds	Total funds
	£	£	£
Deposit account interest	<u>934</u>	<u>934</u>	<u>1,252</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.21	31.12.20 as restated
	Activity	£	£
Leisure centre income	Charitable activities	2,027,270	1,900,862
Management fees	Charitable activities	<u>156,000</u>	<u>156,000</u>
		<u>2,183,270</u>	<u>2,056,862</u>

£156,000 (2020: £156,000) (unrestricted) was received from Canterbury City Council for the management of leisure centres.

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Charitable activities	<u>3,480,229</u>	<u>62,521</u>	<u>3,542,750</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.21	31.12.20 as restated
	£	£
Staff costs	2,546,853	2,884,585
Leasing	9,786	12,053
Activity costs	9,863	6,676
Insurance	44,315	33,310
Post, stationery and publicity	444	14,334
Licences	33,402	65,705
Computer costs	58,742	37,346
Staff costs	-	1,962
Purchases for resale	6,202	37,755
Legal and professional fees	50	87,045
Property expenses	418,020	320,074
Telephone	4,309	15,644
Sundry expenses	1,912	1
Bank charges	9,867	9,273
Equipment repairs and renewals	<u>58,145</u>	<u>52,444</u>
Carried forward	3,201,910	3,578,207

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

	31.12.21	31.12.20 as restated
	£	£
Brought forward	3,201,910	3,578,207
Training	631	7,078
Travelling	1,714	1,781
Uniforms	819	2,886
Publicity and marketing	765	-
Subscriptions	6,328	1,756
Irrecoverable VAT	92,972	75,847
Interest payable	29,679	-
Depreciation	<u>145,411</u>	<u>202,715</u>
	<u>3,480,229</u>	<u>3,870,270</u>

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>57,332</u>	<u>5,189</u>	<u>62,521</u>

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and wellbeing services. Governance costs are made up of auditor's remuneration of £5,189 (2020: £9,000).

Support costs, included in the above, are as follows:

	31.12.21	31.12.20 as restated
	Charitable activities £	Total activities £
Rent	57,332	79,810
Auditors' remuneration	<u>5,189</u>	<u>9,000</u>
	<u>62,521</u>	<u>88,810</u>

8. NET INCOME/(EXPENDITURE)

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

	31.12.21	31.12.20 as restated
	£	£
Depreciation - owned assets	68,643	133,255
Depreciation - assets on hire purchase contracts and finance leases	76,768	43,961
Hire of plant and machinery	<u>9,786</u>	<u>12,053</u>

ACTIVE LIFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****9. AUDITORS' REMUNERATION**

	31.12.21	31.12.20 as restated
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>5,189</u>	<u>9,000</u>

The auditor's remuneration amounts to an audit fee of £5,189 (2020: £9,000).

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

11. STAFF COSTS

	31.12.21	31.12.20 as restated
	£	£
Wages and salaries	2,268,350	2,582,224
Social security costs	108,630	117,123
Other pension costs	<u>169,873</u>	<u>185,238</u>
	<u>2,546,853</u>	<u>2,884,585</u>

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20 as restated
Full time	33	37
Part time	<u>251</u>	<u>293</u>
	<u>284</u>	<u>330</u>

No employee received remuneration in excess of £60,000 in 2021 or 2020.

The total amount of employee benefits received by key management personnel is £185K (2020: £192K). In 2021 key management personnel comprised Neil Mason, Giles Seaford, Carol Gillatt and Derek Hambidge.

No ex gratia payments were made to employees in the year under review (2020: £Nil).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	1,306,624	1,306,624
Charitable activities			
Charitable activities	2,056,862	-	2,056,862
Investment income	<u>1,252</u>	<u>-</u>	<u>1,252</u>
Total	2,058,114	1,306,624	3,364,738
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>2,652,456</u>	<u>1,306,624</u>	<u>3,959,080</u>
NET INCOME/(EXPENDITURE)	(594,342)	-	(594,342)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>753,535</u>	<u>-</u>	<u>753,535</u>
TOTAL FUNDS CARRIED FORWARD	<u>159,193</u>	<u>-</u>	<u>159,193</u>

13. PRIOR YEAR ADJUSTMENT

The accounts prepared for the year ended 31 December 2020 were identified to have not recognised the cost of unutilised annual leave. The comparatives have subsequently been adjusted. The impact of this adjustment on the Company are as follows:

	As Previously stated(£)	Prior period adjustment for annual leave accrual(£)	As restated(£)
Profit and Loss Account 2020			
Income	3,364,738	-	3,364,738
Expenditure	<u>(3,747,860)</u>	<u>(211,220)</u>	<u>(3,959,080)</u>
Net Movement in Funds	(383,122)	(211,220)	(594,342)
Total funds brought forward	<u>753,535</u>	<u>-</u>	<u>753,535</u>
Total funds carried forward	<u>370,413</u>	<u>(211,220)</u>	<u>159,193</u>
Balance sheet as at 31 December 2020			
Unrestricted funds	370,413	(211,220)	159,193
Restricted funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>370,413</u>	<u>(211,220)</u>	<u>159,193</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. PRIOR YEAR ADJUSTMENT - continued

The impact of this adjustment means that both staff costs and the accruals balance from prior year have increased by £211,220 for the charity. This adjustment impacts the comparatives by increasing the overall loss for the year ended 31 December 2020 to £594,342.

14. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2021	1,184,103	1,398,042	120,817	2,702,962
Additions	-	3,255	-	3,255
At 31 December 2021	<u>1,184,103</u>	<u>1,401,297</u>	<u>120,817</u>	<u>2,706,217</u>
DEPRECIATION				
At 1 January 2021	1,156,290	1,022,101	120,817	2,299,208
Charge for year	<u>27,813</u>	<u>117,598</u>	-	<u>145,411</u>
At 31 December 2021	<u>1,184,103</u>	<u>1,139,699</u>	<u>120,817</u>	<u>2,444,619</u>
NET BOOK VALUE				
At 31 December 2021	<u>-</u>	<u>261,598</u>	<u>-</u>	<u>261,598</u>
At 31 December 2020	<u>27,813</u>	<u>375,941</u>	<u>-</u>	<u>403,754</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2021 and 31 December 2021	<u>460,942</u>
DEPRECIATION	
At 1 January 2021	146,715
Charge for year	<u>76,768</u>
At 31 December 2021	<u>223,483</u>
NET BOOK VALUE	
At 31 December 2021	<u>237,459</u>
At 31 December 2020	<u>314,227</u>

ACTIVE LIFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****15. STOCKS**

	31.12.21	31.12.20 as restated
	£	£
Stocks	<u>1,952</u>	<u>-</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20 as restated
	£	£
Trade debtors	10,058	-
Other debtors	1,118	-
Prepayments and accrued income	<u>11,855</u>	<u>-</u>
	<u>23,031</u>	<u>-</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20 as restated
	£	£
Other loans (see note 19)	12,500	50,000
Hire purchase (see note 20)	47,166	54,448
Trade creditors	63,690	-
Amounts owed to group undertakings	931,420	403,900
Social security and other taxes	33,887	108,422
Other creditors	55,750	3,767
Accruals and deferred income	<u>554,918</u>	<u>211,220</u>
	<u>1,699,331</u>	<u>831,757</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.21	31.12.20 as restated
	£	£
Other loans (see note 19)	-	12,500
Hire purchase (see note 20)	<u>-</u>	<u>47,166</u>
	<u>-</u>	<u>59,666</u>

ACTIVE LIFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****19. LOANS**

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20 as restated
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>12,500</u>	<u>50,000</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>12,500</u>

No interest is chargeable on the other loan outstanding at the year end. It is repayable by quarterly instalments of £12,500, and will be fully repaid by 2022.

20. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.12.21	31.12.20 as restated
	£	£
Net obligations repayable:		
Within one year	47,166	54,448
Between one and five years	<u>-</u>	<u>47,166</u>
	<u>47,166</u>	<u>101,614</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS				
			31.12.21	31.12.20 as restated
	Unrestricted fund	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	261,598	-	261,598	403,754
Current assets	1,615,112	-	1,615,112	646,862
Current liabilities	(1,699,331)	-	(1,699,331)	(831,757)
Long term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,666)</u>
	177,379	-	177,379	159,193

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

22. MOVEMENT IN FUNDS

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.21 £
Unrestricted funds				
General fund	370,413	(211,220)	18,186	177,379
TOTAL FUNDS	<u>370,413</u>	<u>(211,220)</u>	<u>18,186</u>	<u>177,379</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,384,643	(2,366,457)	18,186
Restricted funds			
National Leisure Recovery Fund	375,572	(375,572)	-
Coronavirus Job Retention Scheme	800,721	(800,721)	-
	1,176,293	(1,176,293)	-
TOTAL FUNDS	<u>3,560,936</u>	<u>(3,542,750)</u>	<u>18,186</u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	753,535	(594,342)	159,193
TOTAL FUNDS	<u>753,535</u>	<u>(594,342)</u>	<u>159,193</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,058,114	(2,652,456)	(594,342)
Restricted funds			
Coronavirus Job Retention Scheme	1,306,624	(1,306,624)	-
TOTAL FUNDS	<u>3,364,738</u>	<u>(3,959,080)</u>	<u>(594,342)</u>

ACTIVE LIFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****22. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.20 £	Prior year adjustment £	Net movement in funds £	At 31.12.21 £
Unrestricted funds				
General fund	753,535	(211,220)	(576,156)	(33,841)
	<u>753,535</u>	<u>(211,220)</u>	<u>(576,156)</u>	<u>(33,841)</u>
TOTAL FUNDS	<u>753,535</u>	<u>(211,220)</u>	<u>(576,156)</u>	<u>(33,841)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,442,757	(5,018,913)	(576,156)
Restricted funds			
National Leisure Recovery Fund	375,572	(375,572)	-
Coronavirus Job Retention Scheme	<u>2,107,345</u>	<u>(2,107,345)</u>	-
	<u>2,482,917</u>	<u>(2,482,917)</u>	-
TOTAL FUNDS	<u>6,925,674</u>	<u>(7,501,830)</u>	<u>(576,156)</u>

Restricted funds comprise:

Coronavirus Job Retention Scheme (CJRS)

Government grant income used to cover a portion of the employees' wages who were furloughed due to the coronavirus pandemic.

National Leisure Recovery Fund

UK Government fund to support leisure centre operators reopen following the enforced closures in response to the coronavirus pandemic. The fund is restricted for use towards the costs of running the respective charity's leisure centres where claims were made, including utilities, staff (who have not been furloughed), essential asset maintenance and security costs.

23. OTHER FINANCIAL COMMITMENTS**Concessionary Loans Payable**

	31.12.21	31.12.20
Canterbury City Council	<u>12,500</u>	<u>62,500</u>

The Canterbury City Loan terms of repayment are quarterly payments of £12,500 and is interest free.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

24. RELATED PARTY DISCLOSURES

D Barley and C Barley, family members of R Barley, a trustee, are employed by the trust. Both employee appointments were made in open competition and R Barley was not involved in the decision-making process regarding the appointment. Both employees are paid within the normal pay scale for their roles and received no special treatment as a result of their relationship to a trustee. D Barley's salary during the year under review was £1,647 (2020: £1,587). C Barley's salary during the year under review was £nil (2020: £1,526).

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Fusion Lifestyle a registered charity (charity registration number: 1107737).

ACTIVE LIFE LIMITED

England & Wales - Charity number 1095215

Accounts

REGISTERED COMPANY NUMBER: 04376721 (England and Wales)
REGISTERED CHARITY NUMBER: 01095215

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Chairman's Report	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 28

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

2020 was dominated by the Covid pandemic and has been a very tough year for staff and customers alike. We have been able to offer our customers normal services for only 11 weeks of the year. For the rest of the year our facilities have either being closed entirely during national lockdowns or operating under Covid restrictions. Even when we have been permitted to open our capacities have been reduced significantly and our normal range of services reduced.

For much of the year our staff have been on furlough and unable to work and have had to cope with return to work subsequently being reversed by new lockdowns. In spite of the disruption and uncertainty both of which continue into 2021 I am pleased with the way the company has coped. We have made many changes to the way we operate to ensure that we survive the lockdown and can operate safely and profitably as we are permitted to reopen. During 2020 we have increased on-line activity and have sought to maintain customer engagement through on-line classes for which the feedback has been very positive.

The company has had plenty of time to plan its remobilisation and these plans have been adapted following the publication of the government's Road Map in February 2021. It is likely that national restrictions will not permit significant sport and fitness activity in our sites in the first half of 2021. Where restrictions permit and we believe it is safe we will open activities to reengage with as many of our customers and users as possible ahead of the full end to the lockdown scheduled for the end of June.

Once restriction are lifted we believe the need for the charity's services will be greater than ever. With the support from Canterbury City Council, the Fusion group and the National Leisure Recovery Fund I am confident Active Life will be well placed to meet this need.

I would like to put on record my gratitude to the whole team who have enabled the company to come through the most challenging year in its history and who continue to help us face the challenges of 2021; in spite of these challenges I am looking forward to the charity delivering significant health and wellbeing benefits to our local communities in the year ahead.

Christine Longmire
Chairman

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the financial statements of the Charitable Company for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04376721 (England and Wales)

Registered Charity number
1095215

Trustees

G S Knox
S P Jones
C Longmire
N E Wells
R Thomas
R Barley
E Taylor
J Connelly

Resigned 29 September 2020

Company Secretary
N McGregor

Resigned 7 September 2020

Chief executive officer
Anthony Cawley

Registered office
Amphenol Complex
Thanet Way
Whitstable
Kent
CT5 3JF

Auditors

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Bankers

National Westminster Bank
City Centre Branch
11 The Parade
Canterbury
Kent
CT1 2SQ

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The objects of the Charitable Company are:

- to provide or assist in the provision of facilities and services for recreation and other leisure time occupation primarily in the District of Canterbury in the interest of social welfare, such facilities being provided to the public at large save that special care facilities may be provided for persons who by reason of their youth, age, infirmity or disability may have need of special facilities and/or
- to promote, maintain, improve and advance education primarily in the District of Canterbury for the benefit of the public, particularly dramatic education and to foster the public interest in arts.

Public benefit statement

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees regularly consider how planned activities contribute to the charitable aims and objectives they have set.

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissions general guidance on public benefit.

The trustees acknowledge that the Charitable Company charges a fee for many of the services it provides. It is the opinion of the trustees however that the Charitable Company's pricing strategy, which enables increased access to sports facilities for a wide range of disadvantaged persons, including those on low incomes, coupled with the range of services that it provides for young people, the elderly and the disabled are such that the Charitable Company can demonstrate that it operates for the public benefit of the community that it serves.

There have been no changes in the objectives since the last annual report.

Strategies for achieving objectives

- To increase admissions
- To increase the health promotion programme
- To increase turnover
- To reduce energy consumption
- To improve customer satisfaction

ACHIEVEMENT AND PERFORMANCE

Statement of the Chief Executive

2020 had an encouraging start with new member sign ups, but by early March the onset of the pandemic and consumer fears about infection were already suppressing customer numbers ahead of the government imposed shutdown. The effect of the national lockdowns was to reduce normal customer revenues to zero for 5 months of the year. The company took drastic and rapid action to protect itself including the development of alternative on-line revenues and the shutdown of all non-essential operational and workforce costs.

When the Company was permitted to reopen it faced 2 major challenges:

- new operating restrictions which significantly reduced capacity and types of services that could be offered
- consumer fears about the risk of infection with a resultant drop in demand.

In response to these challenges the company has effected comprehensive improvements to its operations. The customer journey has been overhauled with radical changes to booking and admissions systems which place greater emphasis on pre-booking and on-line transactions. Opening hours and activity programmes have been modified and aligned closely with customer demand with agile response built-in to fluctuations in that demand. The physical journey through sites has been modified to ensure safe distancing and

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE - CONTINUED

Statement of the Chief Executive- continued

cleaning and hygiene regimes have been totally overhauled. Customer feedback on the new protocols is positive both in terms of safety and quality of experience.

The events of 2020 have culminated in the company making an accounting loss of £383K. The company had only 11 weeks of normal trading and suffered a 33% drop in revenues compared to 2019 and in this context the scale of the loss could have been worse.

The Company has not traded in the first 3 months of 2021. The government Road Map published in February 2021 indicates a full reopening of services should not be expected before the end of June 2021, however there will be trading opportunities before then. The company will make sure it capitalises on the staged loosening of restrictions ahead of the final end of lockdown and is refining its recovery plan accordingly based on the latest information.

The recovery plan is supported by external funding; £13M has already been provided to the Group through the Coronavirus Large Business Interruption Loan Scheme (CLBILS); additionally Active Life has applied for £350K of grant funding from the National Leisure Recovery Fund which was launched by the government in December 2020 in partnership with Sport England.

The company continues to face uncertainty and challenges in 2021. The progress of the pandemic, the speed and effectiveness of vaccination programmes and government imposed measures remain difficult to forecast. That said, the assessment of Management and the Trustees is that it is correct to prepare the 2020 financial statements on a going concern basis. This assessment is based on:

- 2020 actual experience and results to date
- the changes that have already been implemented during 2020, including revised operating model, rationalisation and funding.

The above actions support the company's business plans and financial projections, in which the business is cash generative, able to service fixed charges with a suitable safety margin, and returns to an accounting surplus during 2021.

It is clear that the wider economy and consumer spending will remain suppressed in 2021; the company's cashflow has been planned on this basis including downside scenarios on a slow lifting of lockdown restrictions. Leisure spending has fared well in previous downturns and Active Life has seen no evidence that the long term trends on participation in fitness and physical activities will be adversely affected by the pandemic; the challenge to operators is to supply this demand in a way that makes sense economically and reassures consumers that they are safe. Active Life has already made good progress on these fronts in 2020 and will continue to adapt its offer to meet consumer and public health needs.

In spite of the challenging outlook the Trustees and Management remain confident about the long term viability of the business and its future development prospects.

Public Benefit

Active Life's vision is for everyone in the district to have an equal opportunity to be as physically and mentally healthy as possible by participating in active recreation. In normal years Active Life undertakes a significant amount of work internally and with local partners to promote and deliver its health and wellbeing objectives. This normal work has been severely disrupted in 2020, but the infrastructure including Group support remains in place to ramp up activity to previous levels as restrictions are lifted.

Affordability and Equity of Access

Active Life's pricing policy is to maximise revenue whilst ensuring that no one is precluded from accessing the service on the grounds of price. Whatever price paid we want every customer to perceive the service provides them with excellent value. Market rates are

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE – CONTINUED

charged for the majority with concessionary rates available for those on low incomes and to youngsters, students, clients with health issues, the retired, school groups and to families.

Membership schemes are available that benefit and encourage regular use but membership is not a requirement to access the facilities, an important differentiator to the private sector. The targeting of families included the flat discount of 20% for each individual thereby benefitting any family grouping, including single parents, not just the typical discount only to 2 adults and 3/4 children offered by many other organisations. This principle also extends to couples where any pairing can take advantage of the discounted price and research demonstrates that people that use the facilities with friends or family are more likely to maintain their participation.

Sports Development

The Sports Development function, which was integrated into Active Life from Canterbury City Council a few years ago, focuses on supporting the sector, advocacy and improving access for sport and physical activity. The programme is a mixture of proactive and reactive support to the local community focusing on sport for good outcomes.

Health Promotion

Active Life's Health Promotion Programme aims to provide support to those with special medical conditions who may benefit from expertise and supervision to help improve their current health status and their health outcomes. The programme also aims to improve skill level, knowledge, sense of awareness, and social interaction through participating in regular physical activity. The sessions also target reductions in blood pressure, cholesterol, obesity and stress.

Unlike most Exercise referral programmes nationally, Active Life provides an extensive weekly programme of classes in the halls, studios, and pools, to both support the 12-week Exercise Referral courses and also provide ongoing classes to help clients maintain exercise and eventually graduate to mainstream activities if capable. Active 4 Life, (A4L) is the umbrella name for all our exercise classes directly targeting exercise referral members, the over 55's and the very unfit. The water fitness sessions are branded 'Aqua 4 Life'.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

The accounting loss in 2020 has halved the unrestricted funds brought forward; whilst this is obviously unwelcome the short to medium term focus is on cash holding and operating cashflow. The Trustees are confident the company can return to a net profit once it is permitted to trade normally. Similarly they are confident that the company and the group of which it is a subsidiary can maintain positive operating cashflow during the shutdown and therefore whilst there is significant uncertainty about the future economic environment they are satisfied that it is correct to prepare the Financial Statements on a Going Concern basis.

Reserves policy

The trustees have considered the risks and opportunities facing the company and identified a level of cash reserves, £100,000 that it would be prudent to maintain. Cash reserves held at 31st December 2020 were £656K (2019: £165K).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charitable Company is registered as a member's limited liability company and was set up by a Memorandum of Association on 19 February 2002.

The Charitable Company is constituted under a Memorandum of Association dated 28 November 2002 and is a registered charity, number 1095215.

Method of appointment or election of Trustees

The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Induction and training of new trustees

New Trustees are provided with key documents relating to the work of Active Life and setting out their duties as Trustees, including the background to Active Life with centre profiles and staff structure, board structure, and other Trustee thumbnails; the governing document, last 2 years minutes of board meetings, annual reports and accounts, Active Life's recent strategic reviews, current business plan, and various guidance papers from the Charity Commission such as 'The Essential Trustee', 'The Hallmarks of an Effective Charity', and 'Charities and Risk Management'. Job Descriptions and Person Specifications are provided at the recruitment stage.

The Induction process includes a tour of all the facilities and Head Office by the Chief Executive meeting key members of the senior management team and staff. Opportunities for on-going training are made available if appropriate to enhancing the role of individual Trustees.

Remuneration policy for key management personnel

The pay and remuneration of key management personnel, and indeed all other staff, is set with reference to:

- A predefined pay structure containing incremental scales, based on the complexity and impact of the role.
- Benchmarking against similar organisations operating within the same sector.

Annual pay reviews take account of the following

- The cost of living
- A desire to maintain pay differentials whilst complying with legislation
- Market comparators
- The charity's development
- The charity's performance against objectives.

Organisational structure and decision making

The board of trustees of up to 12 members meet a minimum of 4 times a year to administer the Charitable Company. There is also a subcommittee to cover Finance and General Purposes. A Chief Executive is appointed by the trustees to manage the day to day operations of the Charitable Company.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

Risk management

The trustees have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are consulted on issues of concern to them by means of a regular consultative committee and staff meetings and are kept informed on specific matters directly by management.

The Charitable Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities
- Volunteers
- Health and safety

In accordance with the Charities equal opportunities policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Active Life Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 27 May 2021

2021 and signed on its behalf by:



C Longmire - Chairman

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LIFE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Active Life Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material uncertainty related to Going Concern

We draw attention to note 1 in the financial statements which indicates that the effects of the COVID-19 pandemic has had a detrimental impact on the trading results of the charitable company. As stated in note 1 these events or conditions, along with other matters as set forth in note 1 indicate that a material uncertainty exists which may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LIFE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- 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 company, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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 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.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LIFE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- 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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

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 directors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 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 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.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 27 MAY 2021

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income & Expenditure account
And Statement of Other Comprehensive Income)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds	Restricted Funds	31.12.20 Total Funds	31.12.19 Total Funds
		£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	1,306,624	1,306,624	-
Charitable activities					
Operation of leisure sites	5	2,056,862	-	2,056,862	5,020,195
Investment income	3	1,252	-	1,252	3,786
Other income	4	-	-	-	-
Total		<u>2,058,114</u>	<u>1,306,624</u>	<u>3,364,738</u>	<u>5,023,981</u>
EXPENDITURE ON					
Charitable activities					
Operation of leisure sites	6	<u>2,403,076</u>	<u>1,344,784</u>	<u>3,747,860</u>	<u>3,035,350</u>
Total		<u>2,403,076</u>	<u>1,344,784</u>	<u>3,747,860</u>	<u>3,035,350</u>
NET INCOME/(EXPENDITURE)		(344,962)	(38,160)	(383,122)	1,988,631
Transfers between funds	24	-	-		
		(344,962)	(38,160)	(383,122)	1,988,631
Other comprehensive income /					
(expenditure):					
Remeasurement gain on defined benefit scheme	25	-	-	-	-
Net movement in funds		(344,962)	(38,160)	(383,122)	1,988,631
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		<u>715,375</u>	<u>38,160</u>	<u>753,535</u>	<u>(1,235,096)</u>
TOTAL FUNDS CARRIED FORWARD		<u>370,413</u>	<u>-</u>	<u>370,413</u>	<u>753,535</u>

All income and expenditure derive from continuing activities.

The notes form part of these financial statements.

BALANCE SHEET AT 31 DECEMBER 2020

		31.12.20 Total Funds £	31.12.20 Total Funds £	31.12.19 Total Funds £	31.12.19 Total Funds £
	Notes				
FIXED ASSETS					
Tangible assets	15		403,755		355,273
			403,755		355,273
CURRENT ASSETS					
Stocks	16	-		27,088	
Debtors; amounts falling due within one year	17	-		680,108	
Cash at bank and in hand		646,862		165,381	
		646,862		872,577	
CREDITORS					
Amounts falling due within one year	18	(620,537)		(343,703)	
NET CURRENT ASSETS			26,325		528,874
TOTAL ASSETS LESS CURRENT ASSETS			430,080		884,147
CREDITORS	19				
Amounts falling due more than one year			(59,667)		(130,612)
NET ASSETS/(LIABILITIES) BEFORE PENSION LIABILITY			370,413		753,535
PENSION LIABILITY	25		-		-
CHARITY FUNDS					
Unrestricted funds		370,413		715,375	
Restricted funds		-		38,160	
TOTAL CHARITY FUNDS	24				
			370,413		753,535

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 27 MAY 2021 and were signed on its behalf by:



.....
C Longmire - Chairman

The notes on pages 13 to 27 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>790,791</u>	<u>(829,473)</u>
Net cash provided by operating activities		<u>790,791</u>	<u>(829,473)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(225,698)	(25,675)
Sale of tangible fixed assets		-	-
Interest received		1,252	3,786
Interest Paid		<u>(8,590)</u>	<u>(9,840)</u>
Net cash provided (used in) investing activities		<u>(233,036)</u>	<u>(31,729)</u>
 Cash flows from financing activities:			
New HP agreements in year		-	-
Loan repayments in year		(37,500)	(50,000)
Capital repayments in year		<u>(38,774)</u>	<u>(55,587)</u>
Net cash provided (used in) financing activities		<u>(76,274)</u>	<u>(105,587)</u>
 Change in cash and cash equivalents in the reporting period		481,481	(966,789)
Cash and cash equivalents at the beginning of the reporting period	2	<u>165,381</u>	<u>1,132,170</u>
Cash and cash equivalents at the end of the reporting period	2	<u>646,862</u>	<u>165,381</u>

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20	31.12.19
	£	£
Net income for the reporting period (as per the statement of financial activities)	(383,122)	1,988,631
Adjustments for:		
Actuarial adjustments in relation to defined benefit pension scheme	-	(2,023,000)
Depreciation charges	177,215	183,077
(Profit)/loss on disposal of fixed assets	-	-
Interest received	(1,252)	(3,786)
Interest Paid	8,590	9,840
Decrease in stock	27,088	8,690
Decrease/(increase) in debtors	680,108	(490,481)
Increase in creditors	282,164	(502,444)
Difference between pension charge and cash contributions	-	-
Net cash provided by operating activities	<u>790,791</u>	<u>(829,473)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.12.20	31.12.19
	£	£
Cash in hand	646,862	165,381
Notice deposits (less than 3 months)	-	-
Overdrafts included in bank loans and overdrafts falling due within one year	-	-
Total cash and cash equivalents	<u>646,862</u>	<u>165,381</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	31.12.2019	Cash Flows	Non-Cash Changes		31.12.2020
			New Finance Leases	Other Non-Cash Changes	
Cash in hand	165,381	481,481	-	-	646,862
Debt due within one year	(109,776)	5,328	-	-	(104,448)
Debt due greater than one year	(130,612)	70,945	-	-	(59,667)
	<u>(75,007)</u>	<u>557,754</u>	<u>-</u>	<u>-</u>	<u>482,747</u>

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Statutory information

Active Life Limited is a registered charity and a company limited by guarantee. The charitable company's registered number and registered office address can be found under reference and administrative details in the report of the trustees.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102. The Charity constitutes a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

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.

Going Concern

Following the Coronavirus pandemic there are material uncertainties related to the events and conditions set out below that may cast significant doubt upon the group and charity's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements. These uncertainties are inherent in the pandemic itself and how government bodies may choose to respond to the pandemic. Active Life to the best of its abilities has sought to mitigate the disruption that has already taken place as well as what it believes may happen in the future. The company now has extensive experience of operating a Covid-secure environment. It also has extensive experience of shutting down operations quickly, at minimal cost and then maintaining them in a safe closed state at minimal cost. The company has rationalised its cost base in the face of reduced revenue and a slow recovery that may take many months. Additionally the Group of which Active is a member has secured £13M of government backed funding (CLBILS) specifically for the purpose of supporting the group companies during their recovery from the coronavirus crisis. Importantly the Active Life business was financially viable pre-crisis and with the measures taken Management and the Trustees believe the company has the best possible prospects of remaining a going concern.

Functional currency and presentation currency

The Charitable Company's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the Charitable Company. The financial statements are therefore presented in British Pound Sterling.

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.

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.

Investment income, gains and losses are allocated to the appropriate fund.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is recognised when net sales of goods and services and management fees excluding value added tax have been delivered to customers such that risks and rewards of ownership have transferred to them. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

Grants Receivable and Management Fees

Grants receivable and management fees in respect of a specified period relating to the general activities of the charitable company are recognised in the income and expenditure account in the period in which they become receivable.

Government Grants

Government grants are recognised when the performance related conditions imposed upon the receipt of the grant have been met. Where these have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable.

During the year, the Charity received the following grants:

Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received totalled £1,306,624 and has been included in income (note 2).

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs

Support costs are those that assist the work of the charity but do not directly represent 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.

Irrecoverable VAT

Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Tangible fixed assets

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to property	- over the remaining life of the lease to the Charitable Company
Plant and equipment	- Between 20% and 50% straight line
Computer equipment	- 33% straight line

Stocks

Inventories have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Concessionary Loan

Concessionary loans include those payable to a third party which are interest free and are made to advance charitable purposes. In accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" effective 1 January 2015, concessionary loan are recognised at the amount received. The notional interest associated with a concessionary loan is recognised in the Statement of Financial Activities.

Service Concession Arrangements

The Charitable Company has a Service Contract with a Local Authority for the maintenance and operation of leisure centres owned by the Local Authority to which it has a lease and management service contract. The Authority has rights under the contract to specify the activities offered by the centres and have influence over the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contract specifies minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

Property, plant and equipment

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charitable Company's Balance Sheet.

Taxation

The Charitable Company 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.

Leasing and hire purchase

Property, plant and equipment acquired under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

ACCOUNTING POLICIES- continued

Pension costs and other post-retirement benefits

The company has admitted body status and contributes on behalf of its employees to the Kent County Council local government pension scheme which provides defined benefits to its members. Following the merger with Fuslon lifestyle 28th February 2020 Canterbury City Council agreed to indemnify the company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of the contract. This agreement extinguished the previously existing liability and means the company has no further liability to fund the scheme beyond its contributions paid in the year. The only amounts now charged to the statement of financial activities are the contributions payable to the scheme during the year in question.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the society's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets.

2. DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £	Total funds 2019 £
Donations	-	1,306,624	1,306,624	-

In 2020 Active Life received £1.3M of grant funding from the government's Job Retention Scheme (JRS)

3. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £	Total funds 2019 £
Deposit account interest	1,252	-	1,252	3,786

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

4. OTHER INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £	Total funds 2019 £
Other income	-	-	-	-

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £	Total funds 2019 £
Operation of leisure centres	1,900,862	-	1,900,862	4,864,195
Management Fees	156,000	-	156,000	156,000
Grants	-	-	-	-
Total	2,056,862	-	2,056,862	5,020,195

£156,000 (2019: £156,000) was received from Canterbury City Council for the management of leisure centres.

6. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £	Total funds 2019 £
Summary by fund type				
Operation of leisure centres	2,403,076	1,344,784	3,747,860	3,035,350
Total	2,403,076	1,344,784	3,747,860	3,035,350

	Staff costs 2020 £	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Summary by expenditure type					
Operation of leisure centres	2,673,365	140,060	934,435	3,747,860	3,035,350
Total	2,673,365	140,060	934,435	3,747,860	3,035,350

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

7. SUPPORT COSTS

Included in support costs as stated in note 6 above:

	31.12.20	As Restated 31.12.19
	£	£
IT costs	87,441	116,174
Finance costs	22,836	50,015
Marketing Materials	17,577	72,889
Administration	129,713	149,769
Other staff related costs	16,866	48,627
Facilities management costs	473,787	717,746
Depreciation	177,215	185,582
Governance costs	9,000	8,607
	<u>934,435</u>	<u>1,349,409</u>

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and wellbeing services. Governance costs are made up of auditor's remuneration of £9,000 (2019: £8,607).

8. NET INCOME/(EXPENDITURE)

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

	31.12.20	31.12.19
	£	£
Auditors' remuneration	9,000	8,607
Depreciation - owned assets	133,254	134,765
Depreciation - assets on hire purchase contracts and finance leases	43,961	48,312
Hire of plant and machinery	<u>1,919</u>	<u>7,277</u>

9. AUDITORS REMUNERATION

The auditor's remuneration amounts to an audit fee of £9,000 (2019: £8,607).

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

11. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	2,371,004	2,999,214
Social security costs	117,505	161,410
Other staff costs	-	38,909
Other pension costs	184,856	264,946
LGPS	-	<u>(2,023,000)</u>
	<u>2,673,365</u>	<u>1,441,479</u>

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

11. STAFF COSTS- continued

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Full time	37	38
Part time	293	321
	<u>330</u>	<u>359</u>

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	31.12.20	31.12.19
Management	15	16
Support	6	8
Direct	<u>77</u>	<u>98</u>
	<u>98</u>	<u>122</u>

No employee received remuneration in excess of £60,000 in 2020 (One between £70,000 and £80,000 in 2019).

12. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2019: £Nil).

The total amount of employee benefits received by key management personnel is £192K (2019: £386K). In 2020 key management personnel comprised Neil Mason, Giles Seaford, Carol Giffatt and Laura Downes.

No ex gratia payments were made to employees in the year under review (2019: £40K).

The trustees did not have any expenses reimbursed during the year (2019: £Nil).

13. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.20	31.12.19
	£	£
Concessionary loans	-	-
Finance charges payable under finance leases	8,590	9,840
Interest on net defined benefit pension liability	-	-
Bank charges	<u>9,155</u>	<u>29,679</u>
	<u>17,745</u>	<u>41,724</u>

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	Pension Adjustment Unrestricted £	31.12.19 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	-	-	-
Charitable activities					
Operation of leisure sites	5	5,020,195	-	-	5,020,195
Investment income	3	3,786	-	-	3,786
Other Income	4	-	-	-	-
Total		5,023,971	-	-	5,023,981
EXPENDITURE ON					
Charitable activities					
Operation of leisure sites	6	5,043,325	15,025	(2,023,000)	3,035,350
Total		5,043,325	15,025	(2,023,000)	3,035,350
NET INCOME/(EXPENDITURE)		(19,344)	(15,025)	2,023,000	1,988,631
Transfers between funds	2 4	-	-	-	-
		(19,344)	(15,025)	2,023,000	1,988,631
Other comprehensive income (expenditure):	1				
Remeasurement gains/(losses) on defined benefit schemes	2 5	-	-	-	-
Net movement in funds		(19,344)	(15,025)	2,023,000	1,988,631
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		734,719	53,185	(2,023,000)	(1,235,096)
TOTAL FUNDS CARRIED FORWARD		715,375	38,160	-	753,535

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

15. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2020	1,184,103	1,172,344	120,817	2,477,264
Additions	-	225,698	-	225,698
Disposals	-	-	-	-
At 31 December 2020	<u>1,184,103</u>	<u>1,398,042</u>	<u>120,817</u>	<u>2,702,962</u>
DEPRECIATION				
At 1 January 2020	1,068,453	932,722	120,817	2,121,991
Charge for year	87,837	89,379	-	177,215
Eliminated on disposal	-	-	-	-
At 31 December 2020	<u>1,156,290</u>	<u>1,022,101</u>	<u>120,817</u>	<u>2,299,206</u>
NET BOOK VALUE				
At 31 December 2020	<u>27,814</u>	<u>375,942</u>	<u>-</u>	<u>403,755</u>
At 31 December 2019	<u>115,650</u>	<u>239,623</u>	<u>-</u>	<u>355,273</u>

Included in the tangible fixed assets are £211,650 of new assets acquired under HP agreement.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Totals £
COST		
At 1 January 2020	249,292	249,292
Additions	211,650	211,650
Reclassification	-	-
At 31 December 2020	<u>460,942</u>	<u>460,942</u>
DEPRECIATION		
At 1 January 2020	102,754	102,754
Charge for year	43,961	43,961
At 31 December 2020	<u>146,715</u>	<u>146,715</u>
NET BOOK VALUE		
At 31 December 2020	<u>314,227</u>	<u>314,227</u>
At 31 December 2019	<u>146,538</u>	<u>146,538</u>

16. STOCKS

	31.12.20 £	31.12.19 £
Stock	<u>-</u>	<u>27,088</u>

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade debtors	-	-
Other debtors	-	680,108
Prepayments and accrued income	-	-
	<u>-</u>	<u>680,108</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 20)	-	-
Other loans (see note 20)	50,000	50,000
Hire purchase (see note 21)	54,448	59,776
Trade creditors	-	38,160
Social security and other taxes	108,422	47,699
VAT	-	-
Other creditors	3,767	86,633
Accruals and deferred income	-	-
Amounts owed to Group undertakings	<u>403,900</u>	<u>61,435</u>
	<u>620,537</u>	<u>343,703</u>

Details of leasing arrangements are provided in note 21.

Deferred income

	31.12.20	31.12.19
	£	£
Deferred income brought forward	-	160,526
Resources deferred in the year	-	-
Amounts released from previous years	<u>-</u>	<u>(160,526)</u>
Deferred income carried forward	<u>-</u>	<u>-</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.20	31.12.19
	£	£
Other loans - 1-2 years	12,500	50,000
Other loans - 2-5 years	-	-
Hire purchase (see note 21)	<u>47,166</u>	<u>80,612</u>
	<u>59,667</u>	<u>130,612</u>

No interest is chargeable on the other loan outstanding at the year end. It is repayable by quarterly instalments of £12,500, and will be fully repaid by 2022.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

20. LOANS

An analysis of the maturity of loans is given below:

	31.12.20 £	31.12.19 £
Amounts falling due within one year on demand: Other loans	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>
Amounts falling between one and two years: Other loans - 1-2 years	<u>12,500</u>	<u>50,000</u>
Amounts falling due between two and five years: Other loans - 2-5 years	<u>-</u>	<u>-</u>

21. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Finance leases primarily relate to gym equipment.

	Hire purchase contracts	
	31.12.20 £	31.12.19 £
Net obligations repayable:		
Within one year	54,448	59,776
Between one and five years	<u>47,166</u>	<u>80,612</u>
	<u>101,614</u>	<u>140,388</u>

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20 £	31.12.19 £
Within one year	-	-
Between one and five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

22. CONCESSIONARY LOANS PAYABLE

	31.12.20 £	31.12.19 £
Canterbury City Council	<u>62,500</u>	<u>100,000</u>

The Canterbury City Loan terms of repayment are quarterly payments of £12,500 and is interest free.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	31.12.20 Total funds	31.12.19 Total funds
	£	£	£	£
Fixed assets	403,755	-	403,755	355,273
Current assets	646,862	-	646,862	872,577
Current liabilities	(620,537)	-	(620,537)	(343,703)
Long term liabilities	(59,667)	-	(59,667)	(130,612)
Pension liability	-	-	-	-
	<u>370,413</u>	<u>-</u>	<u>370,413</u>	<u>753,535</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - COMPARISON

	Unrestricted fund	Restricted funds	31.12.19 Total funds	31.12.18 Total funds
	£	£	£	£
Fixed assets	355,273	-	355,273	512,675
Current assets	834,417	38,160	872,577	1,357,575
Current liabilities	(343,703)	-	(343,703)	(843,653)
Long term liabilities	(130,612)	-	(130,612)	(238,693)
Pension liability	-	-	-	(2,023,000)
	<u>715,375</u>	<u>38,160</u>	<u>753,535</u>	<u>(1,235,096)</u>

24. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	715,375	(344,962)	-	370,413
Restricted funds				
Henry Smith Fund	4,515	(4,515)	-	-
Active Kids 4 Life	22,860	(22,860)	-	-
Sportivate/Canoe Wild	-	-	-	-
Street Games Porchlight	6,273	(6,273)	-	-
Rounder's	-	-	-	-
Satellite Clubs	4,512	(4,512)	-	-
Make Your Move	-	-	-	-
Walking Football	-	-	-	-
Netball Group	-	-	-	-
	<u>38,160</u>	<u>(38,160)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>753,535</u>	<u>(383,122)</u>	<u>-</u>	<u>370,413</u>

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

24. MOVEMENT IN FUNDS- continued

The activities supported by the restricted funds which target young, disadvantaged and disabled users were disrupted in 2020 as a result of the Covid restrictions but are all expected to run again 2021 once the restrictions are lifted.

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

MOVEMENT IN FUNDS - COMPARISON

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	(1,288,281)	2,003,656	-	715,375
Restricted funds				
Henry Smith Fund	4,515	-	-	4,515
Active Kids 4 Life	22,860	-	-	22,860
Sportivate/Canoe Wild	2,156	(2,156)	-	-
Street Games Porchlight	6,273	-	-	6,273
Rounder's	3,075	(3,075)	-	-
Satellite Clubs	7,258	(2,746)	-	4,512
Make Your Move	4,967	(4,967)	-	-
Walking Football	1,950	(1,950)	-	-
Netball Group	131	(131)	-	-
	53,185	(15,025)	-	38,160
TOTAL FUNDS	(1,235,096)	2,018,681	-	753,535

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

25. EMPLOYEE BENEFIT OBLIGATIONS

The company has admitted body status and contributes on behalf of its employees to the Kent County Council local government pension scheme which provides defined benefits to its members. Following the merger with Fusion lifestyle 28th February 2020 Canterbury City Council agreed to indemnify the company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of the contract. This agreement extinguished the previously existing liability and means the company has no further liability to fund the scheme beyond its contributions paid in the year. As the company no longer has any liabilities or assets in relation to its scheme membership, there is therefore no disclosure as in previous years which analyses scheme assets, liabilities and associated actuarial assumptions.

26. RELATED PARTY DISCLOSURES

D Barley and C Barley, family members of R Barley, a trustee, are employed by the trust. Both employee appointments were made in open competition and R Barley was not involved in the decision-making process regarding the appointment. Both employees are paid within the normal pay scale for her role and received no special treatment as a result of their relationship to a trustee. D Barley's salary during the year under review was £1,587 (2019: £1,587). C Barley's salary during the year under review was £1,526 (2019: £647).

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Fusion Lifestyle a registered charity (charity registration number: 1107737).

28. POST-BALANCE SHEET EVENT

The worldwide outbreak of COVID-19 resulted in the UK Government requiring the British public to enter a number of national and regional lockdowns during the year. Following the year end, there was a third national lockdown from 5 January 2021 to 11 April 2021 resulting in the temporary closure of all leisure establishments including gyms and leisure centres. The charitable company's activities, as with many businesses, have been impacted.

The respective governments of Northern Ireland and England have now permitted leisure centres, gyms and indoor pools to reopen on 12 April 2021. The impact of the new social distancing measures which limit a facility's capacity, and the continued existence of COVID-19 in our society, which may have an impact on the behaviour of the company's customers is as of yet unknown. There are also concerns that there might be a further spike in the pandemic and the need for / likelihood of another lockdown which would undoubtedly have a significant impact on the position of the charitable company.