

**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**

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

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>TRUSTEES</b>	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)
<b>REGISTERED OFFICE</b>	3 & 4 Blake House Schooner Court Crossways Business Park DARTFORD Kent DA2 6QQ
<b>REGISTERED COMPANY NUMBER</b>	04376721 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1095215
<b>AUDITORS</b>	McCabe Ford Williams Statutory Auditors and Chartered Accountants Building 1063 Cornforth Drive Kent Science Park Sittingbourne Kent ME9 8PX
<b>BANKERS</b>	National Westminster Bank City Centre Branch 11 The Parade Canterbury Kent CT1 2SQ
<b>SOLICITORS</b>	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](http://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 £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	7,371	34,648	42,019	1,376,732
<b>Charitable activities</b>	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>
<b>Total</b>		<u>3,755,173</u>	<u>34,648</u>	<u>3,789,821</u>	<u>3,560,936</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Charitable activities		<u>3,991,870</u>	<u>34,648</u>	<u>4,026,518</u>	<u>3,542,750</u>
<b>NET INCOME/(EXPENDITURE)</b>		(236,697)	-	(236,697)	18,186
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>177,379</u>	<u>-</u>	<u>177,379</u>	<u>159,193</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<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 £
<b>FIXED ASSETS</b>			
Tangible assets	13	181,632	261,598
<b>CURRENT ASSETS</b>			
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
<b>CREDITORS</b>			
Amounts falling due within one year	16	(847,928)	(1,699,331)
		<u>(847,928)</u>	<u>(1,699,331)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(240,950)</u>	<u>(84,219)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(59,318)	177,379
		<u>(59,318)</u>	<u>177,379</u>
<b>NET ASSETS</b>		<u>(59,318)</u>	<u>177,379</u>
<b>FUNDS</b>	20		
Unrestricted funds		<u>(59,318)</u>	<u>177,379</u>
<b>TOTAL FUNDS</b>		<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 £
<b>Cash flows from operating activities</b>			
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>
<b>Cash flows from investing activities</b>			
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>
<b>Cash flows from financing activities</b>			
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>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		(1,049,936)	943,267
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,590,129</u>	<u>646,862</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<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 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(236,697)	18,186
<b>Adjustments for:</b>		
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>
<b>Net cash (used in)/provided by operations</b>	<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 £
<b>Net cash</b>			
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>
<b>Debt</b>			
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>
<b>Total</b>	<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>3,743,752</u>	<u>2,183,270</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>4,026,518</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>3,994,537</u>	<u>3,480,229</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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	200,439	1,176,293	1,376,732
<b>Charitable activities</b>			
Charitable activities	2,183,270	-	2,183,270
Investment income	934	-	934
<b>Total</b>	<u>2,384,643</u>	<u>1,176,293</u>	<u>3,560,936</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable activities	<u>2,366,457</u>	<u>1,176,293</u>	<u>3,542,750</u>
<b>NET INCOME</b>	18,186	-	18,186
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>			
As previously reported	370,413	-	370,413
Prior year adjustment	<u>(211,220)</u>	<u>-</u>	<u>(211,220)</u>
<b>As restated</b>	159,193	-	159,193
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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 £
<b>COST</b>				
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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
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 £
<b>COST</b>	
At 1 January 2022	460,942
Transfer to ownership	(249,292)
At 31 December 2022	211,650
<b>DEPRECIATION</b>	
At 1 January 2022	223,483
Charge for year	67,536
Transfer to ownership	(199,029)
At 31 December 2022	91,990
<b>NET BOOK VALUE</b>	
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**

	<b>2022</b>	<b>2021</b>
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 £
<b>Unrestricted funds</b>			
General fund	177,379	(236,697)	(59,318)
	<u>177,379</u>	<u>(236,697)</u>	<u>(59,318)</u>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	3,755,173	(3,991,870)	(236,697)
<b>Restricted funds</b>			
Holiday Activities and Food Programme	34,648	(34,648)	-
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
General fund	370,413	(211,220)	18,186	177,379
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	2,384,643	(2,366,457)	18,186
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
General fund	370,413	(211,220)	(218,511)	(59,318)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	6,139,816	(6,358,327)	(218,511)
<b>Restricted funds</b>			
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)	-
	<hr/>	<hr/>	<hr/>
	1,210,941	(1,210,941)	-
<b>TOTAL FUNDS</b>	<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).