

Charity Registration No. 1131013

Company Registration No. 06822082 (England and Wales)

ABSOLUTELY LEISURE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ABSOLUTELY LEISURE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J H Gillan A C Taylor J E Blackburn B E Edwards
Key management personnel	G Sinclair (Chief Executive)
Charity number	1131013
Company number	06822082
Registered office	The Arena Stafferton Way Maidenhead Berkshire United Kingdom SL6 1AY
Auditor	Azets Audit Services Gladstone House 77-79 High Street Egham Surrey United Kingdom TW20 9HY

ABSOLUTELY LEISURE

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ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The Trustees confirm that they comply with the requirements of the Charities Act 2011, as amended by the Companies Act 2006, the Memorandum and Articles of Association and the Charities Statement of recommended Practice (SORP) 2019.

Objectives and activities

Absolutely Leisure is a wholly owned charity that exists to provide or assist in the provision of facilities and services for recreational or other leisure time occupation 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, poverty or social or economic circumstance may have need of special facilities and services.

Additionally, the Charity aims to promote and preserve good health through community participation in healthy recreation and/or such other charitable purposes beneficial to the community consistent with the objects of the charity.

Achievements and performance

In these extraordinary times the Charity is pleased to have been able to survive and to re-open stronger than before. Furthermore, no staff were made redundant during the Pandemic. Clearly the performance and achievements of the Charity have been severely curtailed and most staff were either fully or flexibly furloughed.

Nonetheless, during the Pandemic the Charity extracted itself from a contract to manage Herschel Sports on behalf of Herschel Grammar School. This contract would have been not cost effective for us to continue.

Management also worked with our various landlords to negotiate workable and amicable compromises that satisfied both parties, and importantly upheld the values of the Charity.

Although the Charity did not qualify for most non-mandatory government and local authority grants, it was successful in securing a number of smaller grants from various trust funds, including – Wooden Spoon (£13,000), L&G (£600), Heart of Bucks (£4,064) and Tesco (£2,000).

Going Concern

Since the year end the Management Team have worked on improving its financial forecasting with the help and support of Kroll Ltd and NatWest Bank. Management have also significantly improved its operational processes, which has resulted in a substantial reduction in staffing costs, and with the launch of new websites have increased revenues. Since re-opening sites post year end the Group has recorded a surplus every month to date. The Statement of Financial Activities and cash flow forecast up to March 2023 shows the charity running to annual surpluses in both YE22 and YE23, with bank balances in excess of £200K.

Further information regarding going concern is contained in note 1.2. In the light of this, the Board have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Financial review

The Charity reached the nadir of its financial challenges in March 2020 and was set for a return to profitability and continued growth in 2020/21. The global pandemic that followed created a further unprecedented challenge. The Charity was required to seek a Government backed CBILS loan of £570K to maintain its existence during the subsequent lockdown.

When restrictions eased in July / August 2020 the Charity's facilities were allowed to slowly re-open, albeit with significant restrictions still in place. Nonetheless, trading was positive and this combined with the continued use of the Government Job Retention Scheme, and with the support of landlords enabled the Charity to make some profits.

However, the Charity was forced to close yet again in November, and bar for a couple of weeks in December at some sites, the Charity remained closed for the rest of the financial year. During this time it received no income other than Government support via community and business based grants. The Management Team worked hard with landlords to agree terms individually. These ranged from rent free periods, half rent periods, to deferment of full rents (effectively increasing the Charity's indebtedness).

The result of such a turbulent year can be seen in the audited accounts for the period. Despite making an unsurprising significant loss during the year, the Charity was able to remain in existence and has re-opened with renewed vigour.

During the year senior staff agreed a 20% pay cut – from March 2020 through the entire year. There were no inflationary pay awards made during the year except for those receiving the National Minimum Wage increase. Senior management have not received a pay award for 5 years now.

Reserves policy

During the year the Board of Trustees monitored the charity's reserves to ensure that a minimum reserve to £100K was maintained. However, in order to complete the purchase of the Maidenhead Kart Track, the Board approved the use of this reserve and put in place further monitoring and safeguarding measures. The Board has an aspiration to increase its reserves to a level of £250,000 over the next 5 years.

Pension Costs

Trustees are aware of the pension information required to be included in the statutory accounts. The pension referred to is a Local Government Pension Scheme (LGPS) for a total of 9 employees who have previously been transferred from the local authority. The scheme is underwritten by HM Government.

Trustees understand that the calculations required to be used for statutory purposes are notional and represent only one view of the pension fund, as directed by the FSA. In contrast the latest actuarial review from the Fund Managers appointed actuary, Barnet Waddingham, shows a real position - the fund is in surplus and employers' contribution for the next 3 years are reducing substantially.

Risk management

The members of the Board have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board members confirm that the major risks to the Charity have been reviewed and that systems or procedures have been established to manage those risks. With the termination of the SBC contract the principal risk to Absolutely Leisure was clarified and the sites managed by the Charity were returned to the Council after the Charity removed its assets. The Board of Trustees reviewed and updated the Risk register at every Board Meeting and management work to mitigate the risks identified.

The most significant risk that has emerged during the year is the impact of the pandemic on the economy, and leisure in particular. Other risks that have been identified include the loss of contracts and building lease renewals. New competition entering the market is less likely as a consequence of the pandemic.

The Risk Register includes 'events' that would materially impact the performance of the Charity. These include the loss of senior staff, the closure of a site, the potential impact of changes in legislation or taxation, health and safety risks. The Charity's management of the Pandemic and its implications for staff and customers is well documented, as are the steps necessary should restrictive measures be put in place again.

ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Plans for future periods

The Trustees have committed to growing the reach of the Charity and to delivering the programmes of Absolutely Together in every community that the Charity works in. Additionally the Trustees want to continue to offer 'enabling support' to complementary community groups and charities through the use of our venues.

The charity will return to a steady and sustainable position following the pandemic. Only then will Trustees direct the Management Team to identify and partner with organisations that can help deliver that strategy, and to extend its reach into new communities. This will be delivered through management contracts. In the next year the Charity intends to extend its Absolutely Together programme to encompass every community with at least one programme.

The Board of Trustees approved the disposal of a parcel of land in Maidenhead that it holds the long lease for, and for which it currently sub-lets to a garage for parking. This work continues.

Post year-end the Charity has been able to slowly re-open its facilities in line with the easing of Government restrictions, and did not need any further financial support from its bank. The Charity lost several staff during the lockdown and has re-opened with restricted opening hours, effectively migrating customers towards a 4 – 5 day operations for karting and ten pin. This has resulted in substantial savings in payroll. Management envisage that staff recruitment will become more challenging due to the unsocial working hours and relative low pay of the leisure and hospitality industries. Customer confidence is returning, helped by continued foreign travel restrictions which has meant that more people stayed at home during the summer holiday period, and had greater disposable incomes.

In November 2021, NatWest removed the covenants on the loans held by the charity. These loans expire in 2024.

Structure, governance and management

The Board of Trustees are also Directors of the parent company Absolutely Together (formally Slough Community Leisure) and the wholly owned limited company and subsidiary Absolutely Together Trading Limited (formally Slough Community Trading Limited). Where a taxable profit is made by the subsidiary this is gifted to the Charity. The Board met for formal meetings 6 times during the year to oversee the management and administration of the Charity, and to receive regular updates on various aspects of the Charity's activities from the Management Team.

New trustees are invited to attend and observe at least 2 Board Meetings before confirming their acceptance to become a trustee. During the year the Board completed skills audit to help inform trustee recruitment. This identified the need for financial, HR and legal experience among new trustees' skillsets.

The Management Team, led by the Chief Executive, meet fortnightly to review performance and agree workloads to achieve the Charity's strategy. The Management Team includes Operations, Finance, People Management, Health and Safety and Business Development functions. In addition a quarterly meeting is held with the wider management team to discuss and plan future activities. Two junior managers are invited to attend each quarterly meeting to gain a better insight into the Charity and its management.

Governing document

The Charitable Company 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.

List of Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J H Gillan
A C Taylor
J E Blackburn
B E Edwards

ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Recruitment and appointment of new Trustees

In exercising its powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss member, the members shall seek to ensure that the board is representative of the local community and also comprises persons with a broad range of skills who are likely to contribute to the Charity's success.

Board members induction and training

New Trustees are invited to attend and observe at least 2 Board Meetings before confirming their acceptance to become a Trustee. During the year the Board completed skills audit to help inform Trustee recruitment. This identified the need for financial, KR and legal experience amount new Trustees' skillsets.

All new members joining the Board received a full induction that is aimed at training them in their statutory responsibilities under Charity and company law. The induction will normally include:

- Meeting with the Chairman and the Board and the Managing Director;
- Tour of all facilities and an opportunity to meet staff;
- Receive copies of the Charity's rules;
- Receive copies of strategy and business planning documents;
- Receive an organisational structure and overview of the management process; and
- Details of the Charity's relationship with the parent organisation - Absolutely Together, as well as associations with other relevant third parties such as landlord, clients etc.

Organisation structure & how decision are made

The Board of Trustees has responsibility for administering the charity. The Trustees have appointed a Chief Executive Officer to manage the operations of the Charity, The Board has agreed to delegated powers to manage this arrangement.

The Management Team, led by the CEO, meet fortnightly to review performance and agree workloads to achieve the Charity's strategy. The Management Team includes Operations, Finance, People Management, Health and Safety and the Business Development function. In addition a quarterly meeting is held with the wider management team to discuss and plan future activities. Two junior managers are invited to attend each quarterly meeting to gain a better insight into the Charity and its management.

Setting of pay

The People Development Scheme is a company policy that endorses all pay rate levels across both Absolutely Together and Absolutely Leisure, Both Boards approve any pay rises on an annual basis and these are then confirmed with the policy.

The pay of the Chief Executive is set in line with an historical survey of similar sized and complex organisations in the wider Third Sector, as well as in regard to the skills and experience of the post-holder. The Chief Executive sets the pay for his immediate team, based on the framework detailed within the Charity's People Development Scheme, and again with reference to the skills and experience of the post-holders.

During the entire financial year the Chief Executive along with other full time staff took a 20% pay cut.

ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Chair's Report

Like so many other charities and businesses, the last year has been an extremely challenging time for Absolutely Leisure. The charity was forced to close all of its centres and cease operations for all but 12 weeks of the year, as the first wave of the pandemic struck the UK in March 2020. Some activities were able to open with a restricted programme from August 2020 and were then closed by the second lockdown from November 2020. The Charity did not recommence business for the remainder of the 2020 -21 financial year.

The Charity was required to obtain a CBILs loan in order for it to continue to be viable and be able to re-open its facilities and begin slowly to support groups and charities within the communities it works in. Throughout the lockdown the Charity largely remained mothballed and furloughed all staff to retain as much cash as possible.

During the year the Trustees agreed to rename the parent organisation from Slough Community Leisure, to Absolutely Together. Absolutely Together has been the 'brand' that all the charity's targeted children focused programmes were named, and this change better reflects the direction of the charity moving forward.

It remains our intention to focus on children with additional needs continually and permanently, and to further embed 'Absolutely' into every community we work in – putting smiles on faces.

I, and my fellow Trustees, would like to thank the staff of the Charity, our stakeholders and of course our customers, for supporting Absolutely Leisure and making our work possible.



J.H. Gillan
Chair

23 November 2021

ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, and in planning future activities.

During normal operation the charity's Absolutely Together programme provides free leisure activities to local families that have children with additional needs. The programmes provide free use of Absolutely Leisure activities as well as donating vouchers for free access to other local "partner" leisure facilities. During the national lockdown between March and July, and again later in the year, both our own and the partner leisure facilities were forced to close to the public, meaning that the traditional programmes could not be delivered.

The team therefore looked at further opportunities to help families confined to their homes, with the challenge of keeping their children occupied during this difficult period.

Smile Boxes

With the assistance of a grant from the Tesco's Bag for Help scheme, and working with the local Age Concern charity in Berkshire. Absolutely Leisure redistributed some of the toys, games and children's books from local charity shops unable to trade due to local restrictions.

Smile Boxes were created, including some of these items as well as arts and crafts packs and other activities that families could participate in together at home. Working closely with local SEND schools over 40 boxes were distributed to families in Berkshire and Buckinghamshire.

The feedback from the families that received the boxes was extremely positive, families were so grateful and commented on the lift that it gave their children and themselves at a very challenging time. The aim was to improve families' mental wellbeing through this difficult period.

Together Karting

Following a grant from the Wooden Spoon, Absolutely Leisure has been able to expand its successful Together Karting programme. The programme offers children with additional needs the unique opportunity to experience karting through the use of specialist dual seat karts. The grant enabled the purchase of 2 additional karts, allowing the capacity of the existing programme at Maidenhead to be doubled and the launch of a new programme in Aylesbury. Despite facility closures the group were able to provide 41 sessions across the two facilities, between September and October 2020.

Absolutely Leisure remains the only charity in the UK delivering dual seat karting for free to families that have children with additional needs. Feedback from the sessions shows that not only do participants enjoy the experience, it significantly helps them develop their co-ordination and confidence.

1,000s of Smiles

Following a grant from the "Heart of Bucks" foundation, Absolutely Together were able to launch a 1,000's of smiles campaign in Buckinghamshire. The programme purchases vouchers at discounted rates from local leisure providers which are then distributed at no cost to local families that have children with additional needs. These activities are supplemented with free activities at Absolutely Leisure facilities. Despite the challenges of facility closures, the programme launched in October and ensured that families were able to get some well needed leisure activity during the half term break. Despite the quick turnaround, vouchers were distributed to 47 families in Bucks providing 162 smiles for them during the last week of October.

As the majority of leisure facilities remained closed from the beginning of November until the summer of 2021, the remainder of the 1,000 smiles programme will be completed during the second 6 months of 2021.

Below are a sample of the feedback received from parents after participating in Absolutely Together programmes:

"A big thankyou to Absolutely Together a fantastic charity that gives kids with special needs the opportunity to experience the fun of Go Karting, with double Go karts so that a child can have the chance to drive with an adult. My son suffers from ASD and finds it hard to interact and socialise, he visited the track in Maidenhead and the staff are so friendly, his confidence has grown. Hope this charity gets the recognition they so rightly deserve, Daniel was so pleased to have his brother and dad join in too."

PARENT A

ABSOLUTELY LEISURE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Just wanted to get in touch to thank you for providing us with a swimming voucher. We used it today and had an amazing 2 hours of family fun. The water was warm, it wasn't too crowded and our children were relaxed and happy throughout. It enabled us to have 1-2-1 in turn with each of our children and just have fun. Each one of us laughed, splashed and just enjoyed being in each other's company. Family outings are always planned weeks in advance so we can prepare our children and many SEN sessions are charged at a higher rate than 'normal' which can price some options out if our budget. Thank you and the charity for providing us with a much needed family fun day!

PARENT B

On behalf of our group I would like to thank Absolutely Karting for generously accommodating the variety of special needs within our large party of families last weekend. Everyone had an exciting morning experiencing both Go Karting and Lazer Quest for the first time and those sharing karts with your kind staff had an especially thrilling session! The feedback was that it was one of the best group activities we have ever one. We all had an amazingly memorable time and are particularly grateful for the caring attention shown to the children needing individual attention.

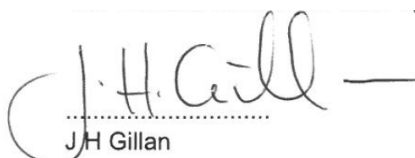
PARENT C

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled the small companies exemption.

The Trustees report was approved by the Board of Trustees.


J.H. Gillan
Chair

23 November 2021

ABSOLUTELY LEISURE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Absolutely Leisure for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

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

Disclosure of information to auditor

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

ABSOLUTELY LEISURE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ABSOLUTELY LEISURE

Opinion

We have audited the financial statements of Absolutely Leisure (the 'Charitable Company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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. We also draw attention to the disclosures in note 1.2 regarding going concern. Our opinion is not modified in this respect.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ABSOLUTELY LEISURE

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

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 purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

ABSOLUTELY LEISURE

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ABSOLUTELY LEISURE

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

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 and to the charitable company's members in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

**Paul Creasey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

24 November 2021
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**Chartered Accountants
Statutory Auditor**

Gladstone House
77-79 High Street
Egham
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United Kingdom
TW20 9HY

ABSOLUTELY LEISURE

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

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
Donations and legacies	3	895,507	325,108
Charitable activities:			
Leisure activities	4	882,805	3,901,665
Funding income	4	73,440	101,640
Total income		<u>1,851,752</u>	<u>4,328,413</u>
Expenditure on:			
Charitable activities	5	<u>2,877,072</u>	<u>4,780,677</u>
Net expenditure for the year/ Net outgoing resources		(1,025,320)	(452,264)
Other recognised gains and losses			
Actuarial (loss)/gain on defined benefit pension schemes		(792,000)	367,000
Net movement in funds		(1,817,320)	(85,264)
Fund balances at 1 April 2020		(822,590)	(737,326)
Fund balances at 31 March 2021		<u>(2,639,910)</u>	<u>(822,590)</u>

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

All income and expenditure derive from continuing activities.

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

ABSOLUTELY LEISURE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(337,722)		199,456
Investing activities					
Purchase of tangible fixed assets		(2,549)		(61,012)	
Proceeds on disposal of tangible fixed assets		-		6,622	
Net cash used in investing activities			(2,549)		(54,390)
Financing activities					
Repayment of borrowings		(15,145)		(83,251)	
New bank loans in the year		570,000		-	
Repayment of bank loans		(37,001)		(43,954)	
Payment of obligations under finance leases		(50,838)		(149,541)	
Net cash generated from/(used in) financing activities			467,016		(276,746)
Net increase/(decrease) in cash and cash equivalents			126,745		(131,680)
Cash and cash equivalents at beginning of year			(46,696)		84,984
Cash and cash equivalents at end of year			80,049		(46,696)
Relating to:					
Cash at bank and in hand			80,049		3,995
Bank overdrafts included in creditors payable within one year			-		(50,691)

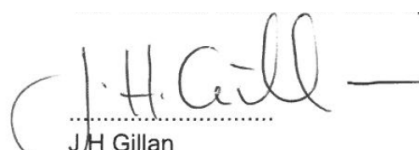
ABSOLUTELY LEISURE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9	2,324,108		2,662,843	
Current assets					
Stocks	10	6,240		15,171	
Debtors	11	183,107		110,350	
Cash at bank and in hand		80,049		3,995	
		<u>269,396</u>		<u>129,516</u>	
Creditors: amounts falling due within one year	14	<u>(2,845,475)</u>		<u>(2,468,108)</u>	
Net current liabilities		(2,576,079)		(2,338,592)	
Total assets less current liabilities		(251,971)		324,251	
Creditors: amounts falling due after more than one year	15	(914,939)		(522,841)	
Net assets excluding pension liability		(1,166,910)		(198,590)	
Defined benefit pension liability	17	(1,473,000)		(624,000)	
Net liabilities		<u>(2,639,910)</u>		<u>(822,590)</u>	
Income funds					
Unrestricted funds:					
General unrestricted funds		(1,166,910)		(198,590)	
Pension reserve		<u>(1,473,000)</u>		<u>(624,000)</u>	
		(2,639,910)		(822,590)	
		<u>(2,639,910)</u>		<u>(822,590)</u>	

The financial statements were approved by the Trustees on 23 November 2021


 J.H. Gillan
 Chair

Company Registration No. 06822082

ABSOLUTELY LEISURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Absolutely Leisure is a private company limited by guarantee incorporated in England and Wales. The registered office is The Arena, Stafferton Way, Maidenhead, Berkshire, SL6 1AY, United Kingdom.

1.1 Accounting convention

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

Absolutely Leisure meets the definition under FRS 102 of a public benefit entity.

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

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

Reduced Disclosures

In accordance with FRS 102, the Charitable Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis for determining fair values.

The financial statements of the Charitable Company are consolidated in the financial statement of Absolutely Together. the consolidated financial statements of Absolutely Together are available from its registered office, The Arena, Stafferton Way, Maidenhead, Berkshire, SL6 1AY.

1.2 Going concern

As described in the Trustees Report, the Covid-19 pandemic has been challenging for the leisure industry with two national lockdowns imposed in the financial year. As a result, even after various Government support packages, the charity suffered a loss for the year of £1,817,320 which includes an actuarial loss on our defined benefit pension scheme of £792,000. Net current liabilities amounted to £2,576,079 and total charity net liabilities at the year end were £2,639,910.

Since the year end, restrictions have ceased and we re-opened our leisure and gym sites in accordance with Government guidelines. A combination of summer staycations, a less than brilliant weather and pent up demand has enabled the group to trade strongly and cash positively in the year to date.

Management have produced forecasts for the period to March 2023 which after suitable contingency planning show a continued recovery of cash positive trading.

ABSOLUTELY LEISURE

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

1 Accounting policies

(Continued)

In relation to the year-end balance sheet liabilities:

- £1,473,000 of this relates to the defined benefit pension liability. This represents the theoretical shortfall between assets held by the pension scheme and the liability to meet accrued pension costs. In common with many other pension schemes, actuarial assumptions have not moved in our favour. However, the liability is theoretical and is not going to crystallise in the near future. The pension scheme deficit is being settled in accordance with the advice of the scheme Actuary by monthly contributions on the remaining members at a rate of 14% of pensionable salaries in 2021/22 (equating to contributions of approximately £42,000) falling to 11.7% in 2022/23.
- Total bank borrowings amounted to £1,911,402 of which £1,419,413 was due within one year. These were technically payable on demand due to covenant breaches at the year end. Since the year end, the bank agreed to waive these and if this were the case at year end, £1,284,015 of bank debt would have been shown as long term and £1,033,729 would have been due after more than 5 years.

In the light of the above, management and the Board have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Charitable funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds are used to account for situations where the donor required the funds must be spent on a particular purpose.

1.4 Income

All income on the Statement of Financial Activities is recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Income for annual memberships is accounted for over the membership year.

Income from leisure activities are recognised as the related good and service are provided.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Management fees are unrestricted income which available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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.

ABSOLUTELY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	straight line over 25 years
Improvements to property	straight line over 4 years
Plant and machinery	straight line over 3 years or the life of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, on a first-in-first-out basis, after making due allowance for obsolete and slow moving items.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

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

Financial assets and liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and tends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities

The Charitable Company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

1.10 Employee benefits

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

1.11 Retirement benefits

The Charitable Company operates a defined contribution pension scheme. Contributions payable to the Charitable Company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Charitable Company has also assumed responsibility for a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefit scheme are charged to income and expenditure in order to allocate the cost of providing the pensions recognising any actuarial gain or loss (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of a professional qualified actuary.

ABSOLUTELY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Charitable Company in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introduction, benefit charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Under section 28 (Defined Benefit Pension) of FRS102, the net deficit of the pension scheme has been included in the Financial Statements and the reserves have therefore been reduced by the pension deficit creating net liabilities of £2,639,910 (2020: £822,590) at the year end. The Trustees are satisfied that the company will be able to meet all of its obligations as and when they fall due.

1.12 Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. 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 income and expenditure so as to produce a constant periodic rate of charge of the net obligation outstanding in each period.

Rentals payable under operating leases are charged as an expense on a straight line basis over the lease term.

1.13 Irrecoverable VAT

VAT on revenue expenditure which can not be recovered is charged as a separate cost to the Statement of Financial Activities. VAT on capital expenditure which can not be recovered is capitalised as part of the cost of acquiring the relevant asset.

2 Critical accounting estimates and judgements

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

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

Critical judgements

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charitable Company as lessee.

ABSOLUTELY LEISURE

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

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

Carrying value of assets and liabilities

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17 will impact the carrying amount of the pension liability.

3 Donations and legacies

	2021 £	2020 £
Government grants	870,984	-
Donation from fellow group company Absolutely Together Trading Ltd	4,662	314,128
Other donations	19,861	10,980
	<u>895,507</u>	<u>325,108</u>

The income from donations of £24,523 (2020: £325,108) was all unrestricted. The £870,984 (2020: £Nil) of government grants relate to CJRS income and local authority grants as a result of the pandemic.

4 Charitable activities:

	Leisure activities 2021 £	Management fees 2021 £	Total 2021 £	Leisure activities 2020 £	Management fees 2020 £	Total 2020 £
Charitable activities	<u>882,805</u>	<u>73,440</u>	<u>956,245</u>	<u>3,901,665</u>	<u>101,640</u>	<u>4,003,305</u>

The income from charitable activities of £956,245 (2020: £4,003,305) was all unrestricted.

ABSOLUTELY LEISURE

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

5 Charitable activities

	Direct Costs	Support Costs	Total	Direct Costs	Support Costs	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Staff costs	1,133,868	-	1,133,868	1,637,267	-	1,637,267
Depreciation	-	341,285	341,285	-	424,485	424,485
Overheads	52,073	1,171,751	1,223,824	77,142	2,302,438	2,379,580
Lease Charges	-	11,544	11,544	-	17,228	17,228
Other Loan Interest	-	4,700	4,700	-	14,515	14,515
Bank Charges	-	55,303	55,303	-	55,496	55,496
Legal and Professional	-	-	-	-	2,180	2,180
Premises Expenses	-	-	-	-	45,510	45,510
Defined Benefit Pension Costs	-	57,000	57,000	-	116,000	116,000
Consultancy	-	36,723	36,723	-	76,416	76,416
Governance costs						
Auditors Remuneration	-	12,825	12,825	-	12,000	12,000
	<u>1,185,941</u>	<u>1,691,131</u>	<u>2,877,072</u>	<u>1,714,409</u>	<u>3,066,268</u>	<u>4,780,677</u>

The expenditure on charitable activities of £2,553,662 (2020: £4,780,677) was all from unrestricted funds.

6 Trustees

The Trustees did not receive any remuneration during the year ended 31 March 2021 (2020: £nil). There were no Trustees' expenses paid for the year ended 31 March 2021 (2020: £nil).

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Leisure activities	<u>89</u>	<u>124</u>

ABSOLUTELY LEISURE

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

7 Employees

(Continued)

Employment costs	2021 £	2020 £
Wages and salaries	1,018,277	1,463,780
Social security costs	58,879	96,034
Other pension costs	56,712	77,453
	<u>1,133,868</u>	<u>1,637,267</u>

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

	2021 Number	2020 Number
£80,001 - £80,000	1	-
£80,001 - £90,000	-	1
	<u>-</u>	<u>1</u>

The remuneration of key management personnel is £90,156 (2020: £112,690).

8 Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2021 or the year ended 31 March 2020.

9 Tangible fixed assets

	Leasehold property £	Improvements to property £	Plant and machinery £	Total £
Cost				
At 1 April 2020	1,832,270	603,782	2,832,362	5,268,414
Additions	-	-	2,549	2,549
	<u>1,832,270</u>	<u>603,782</u>	<u>2,834,911</u>	<u>5,270,963</u>
At 31 March 2021				
Depreciation and impairment				
At 1 April 2020	109,936	603,782	1,891,852	2,605,570
Depreciation charged in the year	73,291	-	267,994	341,285
	<u>183,227</u>	<u>603,782</u>	<u>2,159,846</u>	<u>2,946,855</u>
At 31 March 2021				
Carrying amount				
At 31 March 2021	<u>1,649,043</u>	<u>-</u>	<u>675,065</u>	<u>2,324,108</u>
At 31 March 2020	<u>1,722,334</u>	<u>-</u>	<u>940,509</u>	<u>2,662,843</u>

ABSOLUTELY LEISURE

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

9 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £77,922 (2020 - £77,066) for the year.

	2021 £	2020 £
Plant and machinery	175,820	253,741

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	6,240	15,171

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	15,361	14,973
Other debtors	45,506	-
Prepayments and accrued income	122,240	49,871
	183,107	64,844

	2021 £	2020 £
Amounts falling due after more than one year:		
Other debtors	-	45,506

Total debtors	183,107	110,350
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ABSOLUTELY LEISURE

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

12 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	-	50,691
Bank loans	1,911,402	1,378,403
Other loans	45,069	60,214
	<u>1,956,471</u>	<u>1,489,308</u>
Payable within one year	1,436,609	1,444,239
Payable after one year	<u>519,862</u>	<u>45,069</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>81,105</u>	<u>-</u>

The finance lease liabilities of the Charitable Company, £72,936 (2020: £77,745) of which fall due in less than one year, with £148,409 (2020: £194,439) falling due in more than one year, are secured over the assets which form part of the finance lease agreements.

The bank loans of £1,419,413 (2020: £1,387,403) within one year and £491,989 (2020: £Nil) after one year are secured by way of a fixed and floating charge, in favour of National Westminster Bank Plc, over the assets of the Charitable Company.

The loans of £17,196 (2020: £15,145) within one year and £27,873 (2020: £27,873) after one year are secured by way of a fixed and floating charge, in favour of Asset Advantage Limited and Louise Cox, over the assets of the Charitable Company.

The bank loan is subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company did not fulfil the debt servicing ratio as required in the agreement.

Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of £1,341,402. The outstanding balance is presented within current liabilities as at 31 March 2020 and 2021.

Since the year end the covenants have been formally waived and the debt is no longer payable on demand. Has this agreement been in place at the year end, net current liabilities would have improved by £1,284,015.

ABSOLUTELY LEISURE

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

13 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021 £	2020 £
Within one year	72,936	77,745
Within two and five years	148,409	194,439
	<u>221,345</u>	<u>272,184</u>

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	12	1,419,413	1,429,094
Obligations under finance leases	13	72,936	77,745
Other borrowings		17,196	15,145
Other taxation and social security		33,519	37,776
Deferred income	16	136,800	103,035
Trade creditors		526,635	190,168
Amounts owed to fellow group undertakings		323,410	324,067
Other creditors		88,877	84,594
Accruals and deferred income		226,689	206,484
		<u>2,845,475</u>	<u>2,468,108</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	12	491,989	-
Obligations under finance leases	13	148,410	194,439
Other borrowings		27,873	45,069
Other creditors		246,667	283,333
		<u>914,939</u>	<u>522,841</u>

16 Deferred income

	2021 £	2020 £
Arising from block bookings/events	<u>136,800</u>	<u>103,035</u>

ABSOLUTELY LEISURE

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

16 Deferred income

(Continued)

Deferred income related to advance payments for block bookings/events at the sites that related to future dates.

17 Retirement benefit schemes

Defined contribution schemes

The Charitable Company operates a defined contribution pension scheme. The contributions payable during the year amounted to £23,886 (2020: £33,546). At 31 March 2021 there was £3,804 (2020: £5,279) owing to the scheme and this is included within other creditors.

The pension contributions and liability is all allocated from unrestricted funds which is the only fund basis of the Charity.

Defined benefit schemes

Key assumptions

	2021 %	2020 %
Discount rate	2.05	2.35
Expected rate of increase of pensions in payment	2.80	1.75
Expected rate of salary increases	3.80	2.75

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021 Years	2020 Years
Retiring today		
- Males	21.2	21.5
- Females	23.9	24.1
Retiring in 20 years		
- Males	22.5	22.9
- Females	25.4	25.5

Amounts recognised in the profit and loss account:

	2021 £	2020 £
Current service cost	91,000	130,000
Net interest on defined benefit liability/(asset)	14,000	21,000
Other costs and income	1,000	34,000
Total costs	106,000	185,000

ABSOLUTELY LEISURE

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

17 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2021 £	2020 £
Actual return on scheme assets	(140,000)	3,000
Less: calculated interest element	26,000	25,000
Return on scheme assets excluding interest income	(114,000)	28,000
Actuarial changes related to obligations	906,000	(395,000)

The amounts included in the balance sheet arising from the Charitable Company's obligations in respect of defined benefit plans are as follows:

	2021 £	2020 £
Present value of defined benefit obligations	2,760,000	1,699,000
Fair value of plan assets	(1,287,000)	(1,075,000)
Deficit in scheme	1,473,000	624,000

Movements in the present value of defined benefit obligations:

	2021 £
Liabilities at 1 April 2020	1,699,000
Current service cost	91,000
Contributions from scheme members	24,000
Actuarial gains and losses	906,000
Interest cost	40,000
At 31 March 2021	2,760,000

The defined benefit obligations arise from plans which are wholly or partly funded.

ABSOLUTELY LEISURE

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

17 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2021
	£
Fair value of assets at 1 April 2020	1,075,000
Interest income	26,000
Return on plan assets (excluding amounts included in net interest)	114,000
Contributions by the employer	49,000
Contributions by scheme members	24,000
Other	(1,000)
At 31 March 2021	1,287,000

The fair value of plan assets at the reporting period end was as follows:

	2021	2020
	£	£
Equity instruments	771,000	607,000
Debt instruments	210,000	100,000
Property	159,000	148,000
Cash	59,000	127,000
Target ratio portfolio	53,000	45,000
Commodities	-	6,000
Infrastructure	105,000	88,000
Longevity insurance	(70,000)	(46,000)
	1,287,000	1,075,000

18 Analysis of net assets between funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fund balances at 31 March 2021 are represented by:		
Tangible assets	2,324,108	2,662,843
Current assets/(liabilities)	(2,576,079)	(2,338,592)
Long term liabilities	(914,939)	(522,841)
Provisions and pensions	(1,473,000)	(624,000)
	(2,639,910)	(822,590)

ABSOLUTELY LEISURE

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

19 Operating lease commitments

At the reporting end date the Charitable Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	557,211	475,151
Between two and five years	2,246,022	1,628,883
In over five years	711,790	1,740,140
	<u>3,515,023</u>	<u>3,844,174</u>

20 Events after the reporting date

In November 2021, NatWest formally agreed to remove the covenants on the bank loans. Instead the charity must ensure that a minimum bank balance of £150,000, including the overdraft, is maintained at all times. Has this agreement been in place at the year end, net current liabilities would have improved by £1,284,015.

21 Ultimate parent undertaking and controlling related party

The ultimate parent company is Absolutely Together, a company limited by guarantee and incorporated in Great Britain by virtue of being the sole member. Company Registration No: 08466394 and Registered Charity No: 1152093. This is the smaller and largest group to consolidate these financial statements. Copies of the financial statement can be obtained from The Arena, Stafferton Way, Maidenhead, Berkshire, SL 6 1AY or on companies house website www.companieshouse.gov.uk.

The Trustees consider the Board of Trustees of Absolutely Together, a company limited by guarantee, to be the ultimate controlling party.

22 Limited by guarantee

The Charity is a company limited by guarantee and has no share capital. the liability of each member in the event of winding up is limited to £1.

ABSOLUTELY LEISURE

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

23	Cash generated from operations	2021	2020
		£	£
	Deficit for the year	(1,025,320)	(452,264)
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	341,285	424,485
	Difference between pension charge and cash contributions	57,000	116,000
	Movements in working capital:		
	Decrease in stocks	8,931	4,556
	(Increase)/decrease in debtors	(72,757)	228,601
	Increase/(decrease) in creditors	319,374	(123,461)
	Increase in deferred income	33,765	1,539
	Cash (absorbed by)/generated from operations	(337,722)	199,456
24	Analysis of changes in net (debt)/funds		
		At 1 April 2020	Cash flowsAt 31 March 2021
		£	£
	Cash at bank and in hand	3,995	76,054
	Bank overdrafts	(50,691)	50,691
		(46,696)	126,745
	Loans falling due within one year	(1,393,548)	(43,061)
	Loans falling due after more than one year	(45,069)	(474,793)
	Obligations under finance leases	(272,184)	50,838
		(1,757,497)	(340,271)
			(2,097,768)