

Company registration number: 07451733

Charity registration number: 1141018

# Achieve Lifestyle

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Stewart & Co Accountants LLP  
Knoll House  
Knoll Road  
Camberley  
Surrey  
GU15 3SY

## **Achieve Lifestyle**

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## **Achieve Lifestyle**

### **Reference and Administrative Details**

<b>Chief Executive Officer</b>	H Aitken
<b>Trustees</b>	H Aitken P G Robinson J J Dalton J Taylor K W Phillips (appointed 2 July 2021) K Heal C J Norman (resigned 28 March 2021) A Boyd (resigned 15 September 2021) K J Wills (resigned 30 June 2021)
<b>Secretary</b>	M Evans
<b>Senior Management Team</b>	H Aitken, Chief Executive Officer M Evans, Business Director W Midmore, Operations Director
<b>Principal Office</b>	Egham Orbit Vicarage Road Egham Surrey TW20 8NL  The charity is incorporated in England & Wales.
<b>Company Registration Number</b>	07451733
<b>Charity Registration Number</b>	1141018
<b>Solicitors</b>	Barlow Robins LLP Concord House 165 Church Street East Woking Surrey GU21 6HU
<b>Bankers</b>	The Co-Operative Bank 1 Balloon Street Manchester M4 4BE
<b>Auditor</b>	Stewart & Co Accountants LLP Knoll House Knoll Road Camberley Surrey GU15 3SY

## **Achieve Lifestyle**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

#### **Objectives and activities**

##### ***Objects and aims***

Achieve Lifestyle has been established for the benefit of the public for the following purposes:

- The provision or assistance in the provision of facilities and services for recreation, amateur sport or other leisure time occupation and the interest of social welfare, such facilities may be provided to the public save that special facilities may be provided to persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities or services.
- The advancement and support of education, in particular education on sport, culture, the arts, heritage and history (including the provision of museums, galleries, learning and information centres, libraries, archives and other related services).
- The promotion and preservation of good health through community participation in healthy recreation; and/or other such charitable purposes beneficial to the public and consistent with the objects above, as the Trustees shall in their absolute discretion determine.

##### ***Public benefit***

Achieve Lifestyle has been established for the benefit of the public for the provision or assistance in the provision of facilities and services for health, leisure and recreation time occupation and in the interest of social inclusion and engagement and the promotion and preservation of good health through community participation in healthy recreation.

The public benefits statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meetings the Chief Executive presents the up to date financial position, and operational budget performance.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **Achieve Lifestyle**

### **Trustees' Report**

#### **Achievements and performance**

Achieve Lifestyle's vision is "helping make things achievable" for our local community, and it's mission is "to be the leading health, leisure and wellbeing provider within the local community" and is represented by its desire to.

- Expand the sports, leisure and wellbeing programme to encourage increased participation and health improvements within the community.
- Be inclusive of the community offering a wide range of physical activity, health and wellbeing opportunities.
- Offer excellent value for money
- Offer creative and engaging ways of helping to keep the community healthier.
- Deliver excellent and consistent customer service.

Achieve Lifestyle's key themes for 2020-2021 were:

- To strive to be an excellent employer, investing in staff, training and offering pathways for development, and supporting our people throughout the pandemic.
- Have a positive approach to facility and equipment planned maintenance and investment, to be safe for operational readiness.
- Monitor our standards and procedures to ensure safety is paramount.
- Ensure financial best practice and excellent audit and governance in adhered to consistently, by operating in a cost effective manner.

Based on the vision and themes following achievements were delivered;

## **Achieve Lifestyle**

### **Trustees' Report**

#### **Social Impact and Public Benefit**

##### **Sport Recreation and Leisure**

On 20th March 2020, HM government closed leisure facilities with immediate effect. This meant that Achieve Lifestyle failed to operate in the last 11 days of the business year 2019-2020, as did all other leisure facilities in the UK, and to date there have been three national lockdowns;

- 20 March 2020 - 25 July 2020
- 05 November 2020 - 02 December 2020
- 20 December 2020 - 12 April 2021

The lockdowns amounted to being closed due to lockdown for a total of 233 days in 2020-2021. (NB: Plus 12 days in 2019-2020, and 11 days in 2021-2022)

During the period of opening and closing, there have been a number of challenges as a result of Covid-19 faced by Achieve Lifestyle, which have significantly impacted on normal business performance notably:

- Membership number dropping by two thirds, primarily due to uncertainty by members on their personal finances.
- Social distancing measures influencing reduced customer capacity, customers “shielding” the introduction of “bubbles” and the resultant reductions in foot fall when able to open.
- Changing regulations on when sports activities could reopen, resulting in a phased reopening of a number of the activity spaces.
- The introduction of furlough, and flexi furlough to help maintain a workforce ready to reopen
- Significant levels of staff training, as well as enhanced support to staff for their wellbeing and mental health as a result of lockdown challenges
- A skeleton management team of just three staff running the business, in preparation for reopening during lockdown one (pre flexi furlough).
- Obtaining a £150k CIBLS loan to support critical cash flow need during lockdown one.
- The decision not to reopen Achieve Zone after lockdown one, and surrendering the lease.

Despite the challenges faced of Covid 19, between lockdowns, a number of positives were realised;

##### ***Community Impact- Health & Wellbeing***

- During lockdowns providing facility space to become a Covid-19 testing centre.
- Providing free online access to group exercise classes to members, to keep local community health and wellbeing a priority.
- Membership numbers started to return and increased month on month at Orbit.
- Indoor group exercise class participation numbers significantly buoyant despite social distancing and various reopening rules.
- Investment for refurbishments at Achieve Power to enable a successful reopening after the first lockdown.
- Providing competitive prices to ensure financial access barriers are minimised where possible to encourage access and opportunity by the widest community, particularly due to financial pressures of furlough / flexi furlough in the local community.
- Customer satisfaction levels very high, due to a good level of communications during lockdowns, being open as soon as lockdowns were lifted, and the impact of enhanced hygiene measures

##### ***Young People***

- Swim lessons increasing by 50% to levels higher than pre pandemic.
- A significant number of young people increasing their participation in sport and wellbeing activities (as per government guidelines) than in previous years.
- Supporting the local swim clubs with subsidised pool hires.

## **Achieve Lifestyle**

### **Trustees' Report**

#### ***Disability***

- When open providing discounted access to facilities for target groups and organising, to allow them to thrive, including Egham Constellations disability swim club.
- Provided access to specialist play sessions for Brightlights, a club for young people with disabilities

#### **Corporate responsibility**

The development of being environmentally sustainable is a priority in our undertakings, in doing so our commitment is demonstrated through our Environmental Policy which states

- Generate and harvest Photo Voltaic energy from roof solar panels at Egham Orbit, for consumption need.
- Seek energy improvements and efficiencies where practical, financially prudent and achievable, this includes making use of technology e.g. all lights are LED, heating and ventilation systems are on timers.
- Minimise waste by implementing green initiatives such as “keep cup” discounts in our food and beverage offerings as well as provide further education to staff and customers on the benefits of minimising waste.
- Develop further training and information programmes for staff to raise awareness of environmental issues and enlist their support in improving sustainability standards.
- Encourage the use of suppliers and contractors who have adopted sound environmental solutions to reduce their own impact on the environment
- Continue to work with local suppliers to help reduce travel times and carbon emissions

#### **Financial review**

Results are for the year ended 31 March 2021

The main funds are raised from the general public in exchange for taking part in health, wellbeing and sports and leisure services.

Income for the year ended 31 March 2021 was £1,699,018 and total expenditure for the year was £2,866,906.

At the end of March 2021 cash held by the Company totalled circa £324k. This leaves free cash reserves of circa £209k.

The surrender of lease for Achieve Zone has made a significant and positive impact on the financial stability of Achieve Lifestyle.

Achieve Lifestyle reported a deficit of £1,166,552 on the general unrestricted fund. This deficit is due the impact of the Covid-19 pandemic, through lockdowns, government restrictions, social distancing and customer confidence. We have anticipated that the loss of income has been approximately £2.4m over the three lockdowns.

A further impact has been the lack of business at Achieve Zone, which failed to meet its targets due to a range of external factors, primarily the delayed development of the wider residential and commercial spaces, and thus significantly underperforming, resulting in a lack of foot fall to the venue.

## **Achieve Lifestyle**

### **Trustees' Report**

#### ***Policy on reserves***

Trustees regularly review Achieve Lifestyle's Reserves Policy, Trustees have approved a Reserves Policy in line with guidance issued by the Charity Commission. The purposes of these reserves is to safeguard both against significant loss in income and any unforeseen adverse circumstances to facilitate the continuance of the deliverance of the charitable company's stated objective.

Achieve Lifestyle's reserves policy is to have free reserves before FRS 102 adjustments. The Trustees policy is, taking into account the charity's financial circumstances and other relevant factors, to rebuild reserves to a level that facilitates the Company's resilience and capacity to manage unforeseen financial difficulties.

Free reserves of the charity, after pension reserves, amounted to -£2,024,552 at the year-end. This is, as to be expected, significantly different than previous years due to the impact of the pandemic, which saw continued expenditure and limited opportunities to generate income outside of lockdowns.

Post Pandemic, the anticipation is that there will be a rebuild in recovery of the reserves fund to a much higher level, to protect the business for future shocks. This will take a number of years, and will affect business decisions ensuring that the rebuilding of reserves is a priority for the business.

There is a fund set up post year end to build the reserves, with monthly contributions for unforeseen capital maintenance requirements. This fund will be increased in line with affordability, with the target of obtaining a reserve fund of 6 months operational expenditure as soon as practically possible.



## **Achieve Lifestyle**

### **Trustees' Report**

#### ***Principal risks and uncertainties***

The Trustees 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, error and non-compliance with relevant statutory regulations.

The Financial, Compliance and Human Resource Sub Committee of Trustees meets quarterly and has an annual schedule of statutory governance checks to ensure compliance is maintained and achieved, this includes a review of company policies, procedures and activities to ensure that the Trust meets their legal and statutory obligations thus minimising risk to which the charity is exposed.

Procedures are also in place to comply with health and safety legislation; this includes a Health and Safety Policy. There is also external support from a specialist health and safety consultancy which includes meetings with the nominated health and safety lead staff. The purpose of the meeting is to review all systems and safe working practices, including risk assessments, fire safety and support for ensuring a safe and consistent approach is undertaken for insurance purposes.

Due to the pandemic and the current recovery phase unrealistic rents being charged by the land lord and their acknowledgement of this, after a period of lengthy negotiation, the lease of Achieve Zone was surrendered, with no further liability of the lease, and the impact has been increased financial stability for Achieve Lifestyle.

Whilst unlikely as the recovery phase is going as well as planned, and that no further national lockdowns occur, it is anticipated that whilst there is no certainty, there is a small risk insofar as membership levels returning to pre pandemic levels.

The major risks to which the Trust could be exposed to have been reviewed and actions are undertaken to help mitigate these risks.

The key risk regards rent, and discussions taken place over the last two years with the Trust's landlord (Runnymede Borough Council) in regards to a rent review. The discussions stalled during the pandemic, and to enable and ensure a fair rent in the current climate post pandemic and going forwards, the trust has operated an open book transparent approach to its financial information. The trust is keen to agree new rental terms with the landlord and have an agreement in place to repay agreed back rent that has not been able to be paid due to the effects of the pandemic.

In terms of other risks, management systems continue to be established with remedial actions being taken, to help minimise or alleviate any risk where possible, in the pursuit of a stable financial position, particularly as a result of emerging through from the Covid 19 pandemic.

The trust is not exposed to currency risk and has minimal exposure to interest rate risk, price risk or market risk.

## **Achieve Lifestyle**

### **Trustees' Report**

#### **Plans for future periods**

##### ***Aims and key objectives for future periods***

Achieve Lifestyle shall continue to work closely with Runnymede Borough Council and other partners, to deliver quality services to strengthen and develop the contribution that leisure can make to the quality of life of the local community.

The rebranding of Achieve Power to “Addlestone Health & Fitness” will assist in communicating to the local community a more appropriate description of the venue, to aid and attract more memberships.

Partnership work with the NHS through Ashford & St Peters Hospital Trust, has commenced for physiotherapy rehabilitation, as Egham Orbit becomes a physio hub in the community venue. Further NHS services being offered are in partnership with anaesthetists at Ashford and St Peter's hospital and redeveloping perioperative pathways for surgical patients, primarily colorectal cancer patients for people preparing for and recovering from colon cancer treatments.

Therapist staff also offer specialist cancer touch therapy treatments through specially trained Achieve Lifestyle staff and specialist products, delivering a bespoke range of beauty therapy treatments to people with and recovering from cancer.

Developing the website through investment will allow for online ticketing and ease of access to additional booked activities, helping drive forward sales.

##### ***Strategies and policies***

A three-year business plan and associated financial budget that runs to March 2023 was prepared by management and approved by the board.

Performance against budget is reported to the Board of Trustees bi-monthly, with a monthly summary also circulated for the most up to date data, which is especially crucial during the current pandemic recovery phase. The business strategy is focussed on the survival and future viability of the business.

During 2020-2021, Achieve Lifestyle reduced its expenditure and embarked on a restructure to ensure business sustainability and be more efficient in the future.

Together with very careful cash flow management, the steps being taken will enable the business to survive and thrive the Covid 19 related downturn. The future strategy is focused on returning to profitability to build on reserves, this involves improvements in processes and making the business more efficient throughout, using new technologies and systems.

## **Achieve Lifestyle**

### **Trustees' Report**

#### **Going concern**

Achieve Lifestyle has been deeply affected by the Covid 19 pandemic as a result of multiple lockdowns, which have reduced income by significant levels. Therefore during 2020- 2021, Achieve Lifestyle has minimised costs and maximised income to help ensure the survival of the business until the pandemic is over. The following actions are being taken to protect the business and ensure that when trading improves we are well placed to take advantage of the return to normality;

- Relinquishing the financial burden of the lease for Achieve Zone effective December 2020.
- The landlord (Runnymede Borough Council) has put on hold the rent for 2021-2022 at present and are seeking a suitable way forward from 2022 in regards to sustainable rental charge as part of the post pandemic recovery.
- Negotiations with the landlord and Trustees are ongoing at the date of this report in regards to a rent review to ensure the trust can continue to operate successfully in the long-term for the benefit of the local community.
- Achieve lifestyle continue to be in regular communication with the local authority in regards to affordable rents for remaining facilities, and in doing so continuing to provide transparent open book financials to council accountants, to ensure fair and affordable rents are agreed.
- Taking full advantage of the Job Retention scheme by furloughing 95% of staff, only keeping a small core of three staff working to ensure reopening take place as soon as possible.
- Gaining a £140k Moving Community Grant from Sport England as part of a leisure recovery scheme.
- Renegotiating contractual agreements with suppliers, obtaining payment holidays, reductions in fees, and phased payment agreements where possible to aid cash flow.
- Cancelling contracts if circumstances allowed saving financial resources to help long-term recovery.
- Receiving Business Rates relief grant aid, because of lockdowns, which also supported cash flow.
- The guaranteed positive net position through business planning and financial modelling enables Achieve Lifestyle to apply and receive a £150k Coronavirus Business Interruption Loan from the Cooperative Bank.
- Staff returning after lengthy periods off, with significant support training, to allow them confidence to return to work with the public.
- A restructure and voluntary redundancy programme was carried out.

Looking to the end of 2021 and beyond, the Achieve lifestyle board and senior management team are very confident that Achieve Lifestyle will return to operating with a surplus, once reasonable rentals have been agreed with the landlord (Runnymede Borough Council), both factors will allow Achieve Lifestyle to have a strong and viable future business.

#### **Structure, governance and management**

##### ***Nature of governing document***

The charitable company is constituted under a Trust deed and is a registered charity number 1141018. It does not have any subsidiary undertakings.

The charitable company is controlled by its governing document The Memorandum and Articles of Association and constitutes a company limited by guarantee as defined by the Companies Act 2006.

## **Achieve Lifestyle**

### **Trustees' Report**

#### ***Recruitment and appointment of trustees***

Recruitment of trustees is done through advertisements as and when vacancies arise, a nominated sub-board of trustees then approve suitable applicants based on the trust's need to support the ongoing development of the trust.

Under the Company's Memorandum and Articles of Association, the trustees are elected to serve for a period of three years after which they are eligible for re-election at the next Annual General Meeting.

A register of Trustees relevant interests is maintained and updated regularly.

#### ***Induction and training of trustees***

New Directors / Trustees undergo an induction session with the Chief Executive and Business Director / Company Secretary, to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association at the decision-making processes at board meetings and sub board meetings. They are provided with an induction pack and site visits / guided tours to all venues. Training for Trustees is regularly monitored and reviewed.

#### ***Organisational structure***

The Company is made up of up to 11 trustees, one of whom is the Chief Executive in an ex officio role. The composition and size of the Board is reviewed regularly to assess skills requirement of the Board for it to meet the needs of the Charity.

The directors of the Company are also charity trustees, for the purposes of charity land legislation. All directors (excluding the Chief Executive) give their time voluntarily. Any expenses reclaimed from the charity are set out in the accounts under Trustees Remuneration and Expenses.

The board meetings take place 4 times per year, with a compliance sub group which meets as a minimum for the same number of times per year. The sub group covers financial, HR, audit and governance.

All directors (excluding the Chief Executive) give their time voluntarily. Any expenses reclaimed from the charity are set out in the accounts under Trustees Remuneration and Expenses.

The decision making process is that Trustees are responsible for the sound governance of the trust, by making sure the organisation runs smoothly and that funds are properly managed. The Chief Executive leads the management team in all aspects of strategic development and operational management decision making.

## Achieve Lifestyle

### Trustees' Report

#### *Employee involvement*

Achieve Lifestyle continues to actively engage with its workforce, striving to be a great place to work, giving colleagues job satisfaction and reviewing opportunities for development.

There has been a significant amount of staff training during lockdowns, to enable staff to be ready and feel safe to return to the workplace.

A range of staff satisfaction surveys have been undertaken to establish staff attitudes to their work and returning post lockdown.

All staff receive a comprehensive performance review, with associated personal development training plans.

Achieve lifestyle regularly communicates with staff through department and team meetings, all staff meetings, staff newsletter and feedback. Achieve Lifestyle regularly monitors developments in the external environment for new ways to communicate and engage and are currently looking at greater digital communication tools.


Achieve Lifestyle has a range of policies in place to support staff, they include Health & Safety Policy, Access and Opportunity (Equality), Code of Conduct, Staff Consultation, Modern Slavery and Domestic Abuse.

Achieve Lifestyle recognises its responsibility under the Equality Act 2020, and have long established and fair employment practices in the recruitment, selection and retention and training of staff, particularly for people with protected characteristics.

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 1 December 2021 and signed on its behalf by:

 SIGNED SECURELY  
Kenneth Phillips  
06/12/2021 at 9:16:02 AM UTC  
.....  
K W Phillips  
Trustee

## Achieve Lifestyle

### Statement of Trustees' Responsibilities

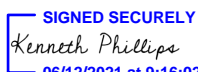
The trustees (who are also the directors of Achieve Lifestyle for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 1 December 2021 and signed on its behalf by:

 SIGNED SECURELY  
Kenneth Phillips  
06/12/2021 at 9:16:02 AM UTC  
.....  
K W Phillips  
Trustee

## **Achieve Lifestyle**

### **Independent Auditor's Report to the Members of Achieve Lifestyle**

#### **Opinion**

We have audited the financial statements of Achieve Lifestyle (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 in relation to going concern**

We draw attention to Note 24 in the financial statements, which indicates that the company incurred a net expenditure, before other recognised gains and losses, of £1,167,888 during the year ended 31 March 2021 and, as of that date, the company's current liabilities exceeded its total assets by £870,776. As stated in Note 24, these events or conditions, along with other matters as set forth in Note 24, indicate that a material uncertainty exists that may cast significant doubt on the 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Achieve Lifestyle**

### **Independent Auditor's Report to the Members of Achieve Lifestyle**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

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.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 12), the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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



## **Achieve Lifestyle**

### **Independent Auditor's Report to the Members of Achieve Lifestyle**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, we have obtained an understanding of the nature of the industry, the control environment and the legal and regulatory frameworks that the charitable company operates in.

We determined that the most significant applicable legal and regulatory frameworks are those directly relevant to the reporting framework and preparation of the financial statements (FRS 102, Charities Act 2011, Companies Act 2006 and UK tax legislation). We considered the extent to which non-compliance might have a material effect on the financial statements.

We determined the principal risks which could lead to material misstatement of the financial statements to be related to posting inappropriate journal entries and management bias in accounting estimates. We identified the most significant risks in respect of accounting estimates to be the actuarial assumptions used in determining the defined benefit pension liability, and the determination of depreciation policies.

Audit procedures performed by the engagement team included:

- Identifying those members of the charitable company who have the primary responsibility for ensuring compliance with laws and regulations;
- Enquiries with management, to understand managements' approach to ensuring compliance with laws and regulations, and to obtain knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Evaluating managements' incentives and opportunities for manipulation of the financial statements (including management override of controls);
- Testing journal entries and performing analytical procedures to identify any unusual transactions, or those outside the normal course of business, which may indicate risks of material misstatement due to fraud;
- Testing of balances and transactions that are subject to estimation uncertainty by review of evidence supporting the assumptions and judgements used, and determining whether those judgements used indicate potential bias;
- Reading minutes of meetings of those charged with governance;
- Review of legal expense accounts to identify spend which may be indicative of breaches of laws and regulations;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the provisions of laws and regulations described above.

The engagement team also remained aware of the need for professional scepticism to identify any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 auditor's report.

## **Achieve Lifestyle**

### **Independent Auditor's Report to the Members of Achieve Lifestyle**

#### **Use of our report**

This report is made solely to the charitable company's trustees, 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 charity's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Gary Robinson FCA (Senior Statutory Auditor)

For and on behalf of Stewart & Co Accountants LLP, Statutory Auditor

Knoll House  
Knoll Road  
Camberley  
Surrey  
GU15 3SY

Date: 6 December 2021.

## Achieve Lifestyle

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	1,101,420	-	1,101,420
Charitable activities	4	597,597	-	597,597
Investment income	5	<u>1</u>	<u>-</u>	<u>1</u>
Total income		<u>1,699,018</u>	<u>-</u>	<u>1,699,018</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(2,866,906)</u>	<u>-</u>	<u>(2,866,906)</u>
Total expenditure		<u>(2,866,906)</u>	<u>-</u>	<u>(2,866,906)</u>
Net expenditure		(1,167,888)	-	(1,167,888)
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pension schemes		<u>(404,000)</u>	<u>-</u>	<u>(404,000)</u>
Net movement in funds		(1,571,888)	-	(1,571,888)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>(452,664)</u>	<u>115,000</u>	<u>(337,664)</u>
Total funds carried forward	20	<u><u>(2,024,552)</u></u>	<u><u>115,000</u></u>	<u><u>(1,909,552)</u></u>

The notes on pages 21 to 40 form an integral part of these financial statements.

## Achieve Lifestyle

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

#### *Prior Period Statement of Financial Activities*

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £ (As restated)
<b>Income and Endowments from:</b>				
Charitable activities	4	3,014,158	-	3,014,158
Investment income	5	8	-	8
Total income		<u>3,014,166</u>	<u>-</u>	<u>3,014,166</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(3,588,008)</u>	<u>-</u>	<u>(3,588,008)</u>
Total expenditure		<u>(3,588,008)</u>	<u>-</u>	<u>(3,588,008)</u>
Net expenditure		(573,842)	-	(573,842)
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pension schemes		<u>8,000</u>	<u>-</u>	<u>8,000</u>
Net movement in funds		(565,842)	-	(565,842)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>113,178</u>	<u>115,000</u>	<u>228,178</u>
Total funds carried forward	20	<u><u>(452,664)</u></u>	<u><u>115,000</u></u>	<u><u>(337,664)</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 20.

The notes on pages 21 to 40 form an integral part of these financial statements.

# Achieve Lifestyle

## (Registration number: 07451733) Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £ (As restated)
<b>Fixed assets</b>			
Tangible assets	12	313,683	760,924
<b>Current assets</b>			
Stocks	13	2,420	14,640
Debtors	14	25,650	49,241
Cash at bank and in hand	15	323,912	248,519
		351,982	312,400
<b>Creditors: Amounts falling due within one year</b>	16	(1,536,441)	(883,475)
<b>Net current liabilities</b>		(1,184,459)	(571,075)
<b>Total assets less current liabilities</b>		(870,776)	189,849
<b>Creditors: Amounts falling due after more than one year</b>	17	(180,776)	(81,513)
<b>Net (liabilities)/assets excluding pension liability</b>		(1,051,552)	108,336
<b>Pension scheme liability</b>	19	(858,000)	(446,000)
<b>Net liabilities including pension liability</b>		(1,909,552)	(337,664)
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		115,000	115,000
<b>Unrestricted income funds</b>			
General Funds		(1,166,552)	(6,664)
Pension reserve		(858,000)	(446,000)
Total unrestricted funds		(2,024,552)	(452,664)
<b>Total funds</b>	20	(1,909,552)	(337,664)

The financial statements on pages 17 to 40 were approved by the trustees, and authorised for issue on 1 December 2021 and signed on their behalf by:

SIGNED SECURELY  
Kenneth Phillips  
06/12/2021 at 9:16:02 AM UTC  
.....  
K W Phillips  
Trustee

The notes on pages 21 to 40 form an integral part of these financial statements.

## Achieve Lifestyle

### Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £ (As restated)
<b>Cash flows from operating activities</b>			
Net cash expenditure		(1,571,888)	(573,842)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		136,635	132,058
Investment income	5	(1)	(7)
Loss on disposal of tangible fixed assets		340,873	911
Difference between pension charge & cash contributions		<u>412,000</u>	<u>39,000</u>
		(682,381)	(401,880)
<b>Working capital adjustments</b>			
Decrease in stocks	13	12,220	1,518
Decrease/(increase) in debtors	14	23,591	(22,545)
Increase in creditors	16	<u>641,056</u>	<u>367,223</u>
Net cash flows from operating activities		<u>(5,514)</u>	<u>(55,684)</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	1	7
Purchase of tangible fixed assets	12	(400)	-
Sale of tangible fixed assets		<u>(29,867)</u>	<u>-</u>
Net cash flows from investing activities		<u>(30,266)</u>	<u>7</u>
<b>Cash flows from financing activities</b>			
Value of new loans obtained during the period		150,000	-
Repayment of loans and borrowings	16	(6,202)	-
Repayment of capital element of finance leases and HP contracts	18	<u>(32,625)</u>	<u>(45,350)</u>
Net cash flows from financing activities		<u>111,173</u>	<u>(45,350)</u>
Net increase/(decrease) in cash and cash equivalents		75,393	(101,027)
Cash and cash equivalents at 1 April		<u>248,519</u>	<u>349,546</u>
Cash and cash equivalents at 31 March		<u><u>323,912</u></u>	<u><u>248,519</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 21 to 40 form an integral part of these financial statements.

## **Achieve Lifestyle**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is a private company limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation, registered number 07451733 and charity number 1141018.

The address of its registered office is:

Egham Orbit  
Vicarage Road  
Egham  
Surrey  
TW20 8NL

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Achieve Lifestyle meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements cover the individual charity and are presented in sterling, which is the functional currency of the charity, and are rounded to the nearest £.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. For further details see note 23.

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Prior period errors

Upon review of the rent free accrual for 2020 our recalculation showed a material misstatement of the year end balance. Therefore, the previous year's figures have been restated to correct this error.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to prior periods before the prior period disclosed in these financial statements £
Rent	605,985	690,348	558,068
Accruals & deferred income	835,770	495,943	363,663
Unrestricted funds - general	<u>(1,166,552)</u>	<u>(6,664)</u>	<u>125,616</u>

#### Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions which affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

#### Key sources of estimation uncertainty

**Pension benefits:** The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates and retail price inflation. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. For further details, including the carrying amount at the end of the reporting period, see note 18.

**Useful economic lives of tangible assets:** The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended when necessary to reflect current estimates, based on economic utilisation and physical condition of the assets.

#### Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### Investment income

Interest received on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.



## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Charitable activities*

The considerable majority of income relates to gym membership and leisure services. Membership income received in advance is deferred on a straight line basis over the contract term. Income from the hire and use of leisure facilities is recognised at the time of use. Retail income is recognised at the point of sale.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, rent allocated on the estimated floor area occupied by an activity and depreciation charges allocated on the portion of the asset's use. Other direct and support costs are allocated on a reasonable basis with consideration of the usage of the resource for each activity,

#### *Charitable activities*

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long-term leasehold property	Over the lease term
Plant & machinery	5 years straight line
Fixtures & fittings	3 years straight line
Gym & studio equipment	5 - 7 years straight line

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

## **Achieve Lifestyle**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The charity holds cash and bank deposits only. They do not hold other short-term highly liquid investments.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

## **Achieve Lifestyle**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised in the balance sheet as tangible fixed assets and are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. Lease payments are charged to the Statement of Financial Activities and are apportioned between finance costs and the reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

The charity also operates a defined benefit pension scheme. A full actuarial valuation is undertaken at least every three years to determine whether the Statutory Funding Objective is met. The most recent full actuarial valuation was carried out as at 31 March 2019. See note 20 for further details.

The charity contributes to the Surrey Pension Fund with the Local Government Pension Scheme ('LGPS'), a multi-employer defined benefit pension scheme, on behalf of certain employees whose employment was transferred from Runnymede Borough Council as part of the Transfer of Undertakings (Protection of Employment) Regulations 2006. The LGPS is a funded defined benefit scheme, and is contracted out of the State Earnings-Related Pension Scheme. The Assets of the scheme are held separately from those of the 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as net finance amount of the finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Pension costs are allocated to charitable activities in line with the cost centres of staff members.

#### **Termination benefits**

Termination benefits are recognised as an expense in profit or loss immediately when the charity is committed by legislation, by contractual or other agreements or by a constructive obligation to make payments (or provide other benefits) to employees when it terminates their employment.

Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

# Achieve Lifestyle

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Financial instruments

#### Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

#### Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### 3 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Grants receivable	1,101,420	1,101,420	-
	<u>1,101,420</u>	<u>1,101,420</u>	<u>-</u>

### 4 Income from charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Health and fitness	422,628	422,628	2,450,237
Sports and activities	133,083	133,083	413,423
Retail and other income	41,886	41,886	150,498
	<u>597,597</u>	<u>597,597</u>	<u>3,014,158</u>

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

£3,014,158 of prior period income was unrestricted; £nil of prior period income was restricted.

#### 5 Investment income

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Interest receivable and similar income;			
Interest receivable on bank deposits	1	1	8

#### 6 Expenditure on charitable activities

##### *Analysis by fund*

	<b>Unrestricted funds General £</b>	<b>Other £</b>	<b>Total funds £</b>
Health and fitness	1,800,507	2,667	1,803,174
Sports and activities	598,573	2,666	601,239
Retail and other income	459,826	2,667	462,493
<b>Total for 2021</b>	<b>2,858,906</b>	<b>8,000</b>	<b>2,866,906</b>
Total for 2020	3,549,008	39,000	3,588,008

##### *Analysis by charitable activity*

	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>Total expenditure £</b>
Health and fitness	1,079,052	724,122	1,803,174
Sports and activities	366,397	234,842	601,239
Retail and other income	279,542	182,951	462,493
<b>Total for 2021</b>	<b>1,724,991</b>	<b>1,141,915</b>	<b>2,866,906</b>
Total for 2020	2,732,978	722,750	3,455,728

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

*Analysis of costs of activities undertaken directly*

	Health and fitness £	Sports and activities £	Retail and other income £	Total 2021 £	Total 2020 £ (As restated)
Wages & Salaries	386,371	145,731	170,543	702,645	1,318,137
Staff NIC (Employers)	14,849	4,792	5,733	25,374	88,524
Staff pension costs	15,958	832	4,980	21,770	74,436
Net finance cost on pension scheme	3,334	3,333	3,333	10,000	10,000
Subcontractor costs	49,250	-	-	49,250	-
Maintenance	26,020	10,402	4,735	41,157	149,829
Purchases	34,338	16,381	26,491	77,210	106,252
Rent & rates	424,189	151,497	30,299	605,985	690,348
Utilities	116,218	24,904	24,904	166,026	286,765
Support costs	-	-	-	-	76,251
Insurance	8,525	8,525	8,524	25,574	35,716
	<u>1,079,052</u>	<u>366,397</u>	<u>279,542</u>	<u>1,724,991</u>	<u>2,836,258</u>

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 7 Analysis of governance and support costs

	Health and fitness £	Sports and activities £	Retail and other income £	Total 2021 £	Total 2020 £
<b>Support costs</b>					
Management & admin salaries	121,091	121,090	121,091	363,272	279,399
Other overhead costs	70,512	27,612	10,713	108,837	11,483
Advertising & promotion	3,108	3,107	3,107	9,322	21,235
Irrecoverable VAT	41,229	12,387	9,484	63,100	167,719
Service agreements	11,262	6,421	4,270	21,953	40,534
Maintenance agreements	30,892	11,033	2,207	44,132	26,374
Legal & professional fees	8,775	8,775	8,776	26,326	22,706
Depreciation charge	88,335	33,216	15,084	136,635	132,058
Profit/loss on disposal of fixed assets	310,006	-	-	310,006	-
Bank charges	34,006	6,296	3,315	43,617	34,642
Travel & subsistence	162	162	161	485	600
	<u>719,378</u>	<u>230,099</u>	<u>178,208</u>	<u>1,127,685</u>	<u>736,750</u>
<b>Governance costs</b>					
Audit & accountancy fees	4,744	4,743	4,743	14,230	15,000
	<u>724,122</u>	<u>234,842</u>	<u>182,951</u>	<u>1,141,915</u>	<u>751,750</u>

#### 8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

##### H Aitken

During the year, H Aitken received remuneration of £85,551 (2020: £85,035) for services other than those of a trustee, as specifically permitted within the charity's governing document. The salary costs incurred by the charity are included under management salaries and include employers pension costs. £92 (2020: £Nil) of expenses were reimbursed to H Aitken during the year. Expenses reimbursed related to car parking costs, and contribution towards eye examination.

At the balance sheet date the amount due H Aitken was £Nil (2020: £Nil).

##### Other trustees

Other trustees received benefits in the form of free gym membership from the charity during the current year and prior year. No other trustees incurred expenses which were reimbursed during the year. No other trustees received any remuneration from the charity during the year.

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 9 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	986,308	1,568,536
Social security costs	53,615	88,524
Pension costs	24,366	103,436
	<u>1,064,289</u>	<u>1,760,496</u>

Included within wages and salaries is £21,022 of termination benefits (2020: £Nil) in relation to redundancy pay.

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

	2021 No	2020 No
Management	10	7
Operations	21	35
Gym	9	23
Coaches & instructors	23	25
Administration and front of house	18	50
	<u>81</u>	<u>140</u>

The number of employees whose emoluments (excluding employers pension contributions) fell within the following bands was:

	2021 No	2020 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £185,388 (2020 - £200,294).

The chief executive officer, as the highest paid member of staff, received benefits totalling £85,551 (2020 - £85,035).

#### 10 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>10,800</u>	<u>11,400</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>3,430</u>	<u>3,600</u>



## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	Long-term leasehold property £	Fixtures & fittings £	Plant & machinery £	Gym & studio equipment £	Total £
<b>Cost</b>					
At 1 April 2020	395,227	86,496	164,586	523,915	1,170,224
Additions	-	400	-	-	400
Disposals	(358,987)	-	-	-	(358,987)
At 31 March 2021	<u>36,240</u>	<u>86,896</u>	<u>164,586</u>	<u>523,915</u>	<u>811,637</u>
<b>Depreciation</b>					
At 1 April 2020	36,633	62,504	50,760	259,403	409,300
Charge for the year	15,274	16,908	29,756	74,697	136,635
Eliminated on disposals	(47,981)	-	-	-	(47,981)
At 31 March 2021	<u>3,926</u>	<u>79,412</u>	<u>80,516</u>	<u>334,100</u>	<u>497,954</u>
<b>Net book value</b>					
At 31 March 2021	<u><u>32,314</u></u>	<u><u>7,484</u></u>	<u><u>84,070</u></u>	<u><u>189,815</u></u>	<u><u>313,683</u></u>
At 31 March 2020	<u><u>358,594</u></u>	<u><u>23,992</u></u>	<u><u>113,826</u></u>	<u><u>264,512</u></u>	<u><u>760,924</u></u>

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £32,314 (2020 - £358,594) in respect of leaseholds.

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Gym & studio equipment	<u>133,834</u>	<u>161,277</u>

#### 13 Stock

	2021 £	2020 £
Stocks	<u>2,420</u>	<u>14,640</u>

#### 14 Debtors

	2021 £	2020 £
Trade debtors	5,899	4,468
Prepayments	15,030	34,567
Other debtors	<u>4,721</u>	<u>10,206</u>
	<u>25,650</u>	<u>49,241</u>

#### 15 Cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>323,912</u>	<u>248,519</u>

#### 16 Creditors: amounts falling due within one year

	2021 £	2020 £ (As restated)
Bank loans	25,231	-
Trade creditors	566,209	274,136
Hire purchase and finance leases	35,614	48,935
Other taxation and social security	45,302	39,155
Other creditors	28,315	25,306
Accruals and deferred income	<u>835,770</u>	<u>495,943</u>
	<u>1,536,441</u>	<u>883,475</u>

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Bank borrowings

Coronavirus Business Interruption Loan is denominated in with a nominal interest rate of 3.73% (2020 - £Nil), and the final instalment is due on 16 June 2026. The carrying amount at year end is £150,000 (2020 - £Nil).

The loan is secured by a fixed and floating charge over all property and undertaking of the charitable company.

The loan is repayable over 6 years, with initial repayment for the first 6 months being interest only. Under the terms of the scheme, the interest is paid by the Government for the first 12 months.

#### Deferred income

	2021 £	2020 £
Deferred income at 1 April 2020	16,880	4,343
Resources deferred in the period	106,808	16,880
Amounts released from previous periods	<u>(16,880)</u>	<u>(4,343)</u>
Deferred income at year end	<u><u>106,808</u></u>	<u><u>16,880</u></u>

Deferred income represents memberships paid for in advance.

#### 17 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	118,567	-
Hire purchase and finance leases	<u>62,209</u>	<u>81,513</u>
	<u><u>180,776</u></u>	<u><u>81,513</u></u>

#### 18 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2021 £	2020 £
Within one year	35,614	48,935
In two to five years	<u>62,209</u>	<u>81,513</u>
	<u><u>97,823</u></u>	<u><u>130,448</u></u>

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Operating lease commitments

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

	2021 £	2020 £
<b>Land and buildings</b>		
Within one year	525,001	379,167
Between one and five years	2,100,004	2,100,000
After five years	9,378,082	9,887,500
	<u>12,003,087</u>	<u>12,366,667</u>
<b>Other</b>		
Within one year	<u>-</u>	<u>42,585</u>

The above operating lease commitments at 31 March 2021 include a 25 year lease taken out in February 2019 in relation to the Egham Orbit site. Under this lease, annual rents are stepped, starting at £175,000 in year 1, increasing to £350,000 in year 2 and £525,000 thereafter for the remainder of the lease. The discounted rent period represents a lease incentive under FRS 102 and has been spread over the lease term.

The Trustees continue to be engaged in negotiations with the landlord to reduce the rent commitments at the Egham Orbit site, in order to ensure that the Company can continue to operate its leisure facilities and meet its liabilities as they fall due. The negotiations are ongoing and the existing lease stands at the date of this report.

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £18,428 (2020 - £27,478).

##### Defined benefit pension schemes

###### Surrey Pension Fund

The charitable company contributes to the Surrey Pension fund, part of the Local Government Pension Scheme (LGPS), on behalf of its employees who are members.

The pension costs are assessed in accordance with the advice of independent chartered actuaries. Hymans Robertson LLP are the appointed actuary of the local Surrey fund. The pension charge and balance sheet liability is based on an actuarial valuation dated 31 March 2021. A full actuarial valuation is undertaken at least every three years to determine whether the Statutory Funding Objective is met.

The date of the most recent comprehensive actuarial valuation was 31 March 2019. The most recent comprehensive valuation was carried out by Hymans Robertson LLP, and adjustments to the valuation have been based on assumptions as detailed further below. The adjustments for the current period have been calculated by the Hymans Robertson LLP. The actuary reviews the assets and liabilities of the scheme on a triennial basis for funding purposes. Interim valuations will continue to be performed at the end of each accounting year for the purposes of FRS 102 disclosures.

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was 65,000 (2020 - £62,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was - (2020 - £-).

#### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the statement of financial position are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets	2,034,000	1,514,000
Present value of defined benefit obligation	<u>(2,892,000)</u>	<u>(1,960,000)</u>
Defined benefit pension scheme deficit	<u><u>(858,000)</u></u>	<u><u>(446,000)</u></u>

#### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	<b>2021</b>
	<b>£</b>
Present value at start of year	1,960,000
Current service cost	55,000
Interest cost	46,000
Actuarial gains and losses	825,000
Benefits paid	(5,000)
Contributions by scheme participants	<u>11,000</u>
Present value at end of year	<u><u>2,892,000</u></u>

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Fair value of scheme assets*

Changes in the fair value of scheme assets are as follows:

	<b>2021</b> <b>£</b>
Fair value at start of year	1,514,000
Interest income	36,000
Actuarial gains and losses	421,000
Employer contributions	57,000
Contributions by scheme participants	11,000
Benefits paid	<u>(5,000)</u>
Fair value at end of year	<u><u>2,034,000</u></u>

#### *Analysis of assets*

The major categories of scheme assets are as follows:

	<b>2021</b> <b>%</b>	<b>2020</b> <b>%</b>
Cash and cash equivalents	3	2
Equity instruments	76	74
Debt instruments	16	17
Property	<u>5</u>	<u>7</u>
	<u><u>100</u></u>	<u><u>100</u></u>

#### *Return on scheme assets*

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Return on scheme assets	<u>421,000</u>	<u>(216,000)</u>

The pension scheme has not invested in any of the charity's own financial instruments or in properties or other assets used by the charity.

#### *Principal actuarial assumptions*

The principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2021</b> <b>%</b>	<b>2020</b> <b>%</b>
Discount rate	2.05	2.30
Future salary increases	3.70	2.70
Future pension increases	<u>2.80</u>	<u>1.80</u>

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Post retirement mortality assumptions*

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	22.00	23.00
Current UK pensioners at retirement age - female	247.00	23.00
Future UK pensioners at retirement age - male	23.00	24.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>24.00</u>

Vita Curves with improvements in line with the CMI 2018 model assuming long term rates of improvement of 1.25% p.a.

#### **20 Funds**

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
General	(6,664)	1,263,397	(2,423,285)	-	(1,166,552)
Other	<u>(446,000)</u>	<u>-</u>	<u>(8,000)</u>	<u>(404,000)</u>	<u>(858,000)</u>
<b>Total unrestricted funds</b>	(452,664)	1,263,397	(2,431,285)	(404,000)	(2,024,552)
<b>Restricted funds</b>	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,000</u>
<b>Total funds</b>	<u>(337,664)</u>	<u>1,263,397</u>	<u>(2,431,285)</u>	<u>(404,000)</u>	<u>(1,909,552)</u>

Restricted sinking funds were set aside in 2011 by Runnymede Borough Council for the benefit of the facilities as part of the original agreement transferring the services of operating these facilities to the Company. These funds were originally restricted to support the repair or replacement of equipment associated with the artificial football pitches at Egham Leisure Centre.

During 2017, Runnymede Borough Council authorised payment of these funds to the Company, for the purpose of funding the development of the 4G Pitch at Egham Orbit and improvements to car parking.

During the year ended 31 March 2021, no expenditure was incurred from restricted funds.

## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
General	528,178	1,696,029	(2,230,871)	-	(6,664)
Other	<u>(415,000)</u>	<u>-</u>	<u>(39,000)</u>	<u>8,000</u>	<u>(446,000)</u>
<b>Total unrestricted funds</b>	113,178	1,696,029	(2,269,871)	8,000	(452,664)
<b>Restricted funds</b>	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,000</u>
<b>Total funds</b>	<u>228,178</u>	<u>1,696,029</u>	<u>(2,269,871)</u>	<u>8,000</u>	<u>(337,664)</u>

#### 21 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2021 £
	General £	Other £	£	
Tangible fixed assets	313,683	-	-	313,683
Current assets	236,982	-	115,000	351,982
Current liabilities	(1,536,441)	-	-	(1,536,441)
Creditors over 1 year	(180,776)	-	-	(180,776)
Pension scheme liability	<u>-</u>	<u>(858,000)</u>	<u>-</u>	<u>(858,000)</u>
Total net assets	<u>(1,166,552)</u>	<u>(858,000)</u>	<u>115,000</u>	<u>(1,909,552)</u>

	Unrestricted funds		Restricted funds	Total funds at 31 March 2020 £ (As restated)
	General £	Other £	£	
Tangible fixed assets	760,924	-	-	760,924
Current assets	197,400	-	115,000	312,400
Current liabilities	(883,475)	-	-	(883,475)
Creditors over 1 year	(81,513)	-	-	(81,513)
Pension scheme liability	<u>-</u>	<u>(446,000)</u>	<u>-</u>	<u>(446,000)</u>
Total net assets	<u>(6,664)</u>	<u>(446,000)</u>	<u>115,000</u>	<u>(337,664)</u>



## Achieve Lifestyle

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 22 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	248,519	75,393	323,912
	<u>248,519</u>	<u>75,393</u>	<u>323,912</u>
<b>Borrowings</b>			
Short term borrowings	-	(25,231)	(25,231)
Long term borrowings	-	(118,567)	(118,567)
Finance leases and hire purchase contracts	(130,448)	(32,625)	(163,073)
	<u>(130,448)</u>	<u>(176,423)</u>	<u>(306,871)</u>
Net debt	<u>118,071</u>	<u>(101,030)</u>	<u>17,041</u>

	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	349,546	(101,027)	248,519
	<u>349,546</u>	<u>(101,027)</u>	<u>248,519</u>
<b>Borrowings</b>			
Finance leases and hire purchase contracts	(175,798)	45,350	(130,448)
	<u>(175,798)</u>	<u>45,350</u>	<u>(130,448)</u>
Net debt	<u>173,748</u>	<u>(55,677)</u>	<u>118,071</u>

#### 23 Related party transactions

There were no further related party transactions other than those already disclosed in the Trustees and key management remuneration notes in both the current and prior year.

## **Achieve Lifestyle**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **24 Going concern**

The Company has been loss-making in the year, generating an operating loss of £1,163k and is also in a net liability position at the balance sheet date. This performance and financial position is primarily the result of the Covid-19 pandemic which lead to three national lockdowns over the course of the year, significantly reducing income for the year.

Combined with this are significant fixed costs, primarily being the site rental at Egham Orbit - see Note 17 of the financial statements for further details. Whilst negotiations between the Trustees and the local council landlord in respect of the annual rental charges are ongoing, the terms of the existing lease stand at the date of this report, which are not sustainable based on the Company's results for the financial year ended 31 March 2021.

Staff costs are also a significant cost, but the impact of this has been offset by income from the Coronavirus Job Retention Scheme as many staff were put on furlough throughout the year.

Sites were able to reopen within social distancing measures in place from April 2021. Since the year end the charity has seen a significant increase in membership numbers, although have not yet reached those at pre-pandemic levels.

The charity relinquished the lease for Achieve Zone in December 2020 and therefore the financial impact of this lease is no longer being felt.

After reviewing the Company's forecasts and projections the Trustees' have reasonable expectation, on the basis that the ongoing rental negotiations are positively concluded and the COVID-19 pandemic remains under control in the UK, that the Company has adequate resources to continue to operate and generate income levels sufficient to meet its liabilities as they fall due. As such, the Trustees have concluded that the Company is a going concern and the financial statements have been prepared on a going concern basis. The Trustees considered this to be an appropriate basis, despite the inherent material uncertainties resulting from the Covid-19 pandemic, based on the information available to them at the signing date.