

TONBRIDGE AND MALLING LEISURE TRUST

England & Wales · Charity number 1154831

Details

Other names	TM ACTIVE
Status	Registered
Legal form	Charitable company
Company number	08447331
Registered	2013-12-02
Register	View on the Charity Commission register

Contact

Address	1-5 Martin Square Larkfield Aylesford Kent ME206QL
Phone	01732 905660
Email	david.sayle@tmactive.co.uk
Website	www.tmactive.co.uk

Activities

Objects: THE COMPANY HAS BEEN ESTABLISHED FOR PUBLIC BENEFIT TO:1. TO PROVIDE OR ASSIST IN THE PROVISION OF BOTH INDOOR AND OUTDOOR FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES OR FOR THE PUBLIC AT LARGE WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE; AND/OR2. TO PROMOTE COMMUNITY PARTICIPATION IN HEALTHY RECREATIONAL ACTIVITIES;3. TO PROVIDE OR ASSIST IN THE PROVISION OF COMMUNITY FACILITIES TO BE AVAILABLE TO ALL SECTIONS OF THE COMMUNITY WITHOUT DISTINCTION, INCLUDING USE FOR MEETINGS, LECTURES AND CLASSES AND/OR OTHER FORMS OF RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR ALL THOSE WHO USE THE FACILITIES;4. TO DEVELOP THE CAPACITY AND SKILLS FOR THOSE MEMBERS OF THE COMMUNITY WHO ARE SOCIALLY AND/OR ECONOMICALLY DISADVANTAGED IN SUCH A WAY AS TO ENABLE THEM TO IDENTIFY, AND HELP MEET, THEIR NEEDS AND TO PARTICIPATE MORE FULLY IN SOCIETY;5. PURSUE SUCH OTHER CHARITABLE PURPOSES CONSISTENT WITH THE ABOVE AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION SHALL DETERMINE (TOGETHER THE "OBJECTS").

Activities: Tonbridge & Malling Leisure Trust operates the following facilities to provide a clean, safe and happy leisure experience on an exclusive basis to residents and visitors of Tonbridge & Malling for the benefit of their health and social well being. Larkfield Leisure Centre,Angel Centre,Tonbridge Swimming Pool,Poult Wood Golf,Kings Hill Sports Park,Leybourne Lakes Country Park

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,206,226	£10,416,348	£2,512,160	448
2024-03-31	£11,106,690	£10,547,665	£1,740,282	422
2023-03-31	£9,700,014	£10,012,195	£1,243,257	395
2022-03-31	£7,444,395	£7,214,819	£-205,562	353
2021-03-31	£4,911,136	£5,647,560	£-751,138	370

Trustees

Name	Role	Appointed
ALAN CHARLES NICHOLL FCA FCCA	Chair	2013-10-10
ANTONY PETER BURDON		2024-06-03
JACQUELINE FRANCES BUTTERY		2024-06-03
KIMBERLEY VICTORIA BENNETT		2013-10-10
Keith Simon Tunstall		2023-09-11
MARK OSMOND DAVIS		2013-10-10
PIA PHILBEY		2022-06-06
SIMON WHITE		2013-10-10
SRIVIDHYA RATNAM		2022-06-06
TIMOTHY BISHOP		2019-06-03

TONBRIDGE AND MALLING LEISURE TRUST

England & Wales - Charity number 1154831

Accounts

REGISTERED COMPANY NUMBER: 08447331 (England and Wales)
REGISTERED CHARITY NUMBER: 1154831

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

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

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2025

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TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charitable Company are:

- to provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or for the public at large with the object of improving their conditions of life, and /or;
- to promote community participation in healthy recreation activities;
- to provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities;
- to develop the capacity and skills for those members of the community who are socially and/or economically disadvantaged in such a way as to enable them to identify, and help meet, their needs and to participate more fully in society, and /or;
- to pursue such other charitable purposes consistent with the above as the Trustees in their absolute discretion shall determine.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

- Clear about its purpose and direction:

The Trust has a Vision, Mission Statement and Values outlined in the current strategic Three-Year Business Plan (April 2025 - March 2028). Taking the national agenda of ukactive, the representative UK body and delivering that agenda locally the Trust's Vision of 'more people, more active, more often' mirrors the objects and powers of the Trust.

The Mission Statement develops the manner in which the Vision will be delivered by confirming 'Our mission is to provide a clean, safe and happy leisure experience on an inclusive basis to residents and visitors to Tonbridge and Malling for the benefit of their physical and mental health and wellbeing. We will achieve this in a sustainable way through excellence in our people, policies and practice.'

The Vision and Mission Statement is underpinned by nine core values;

- Leadership
- Integrity
- Innovation
- Improvement
- Accessibility
- Customer Focus
- Teamwork
- Professionalism
- Environmental awareness

The values are further defined in the Three-Year Business Plan (2025-2028) endorsed by the Board of Trustees. During 2025 the Vision, Mission and Core Values will be reviewed by a broad range of team members and Trustees to assess for continuing relevance and to ensure they reflect the future focus of the Trust.

- A strong board:

Selection and recruitment of the Trust Board is planned and structured to ensure the appointment of a range of interested and committed volunteers who bring a range of professional disciplines and experience to the boardroom. The full Board currently comprises 8 Community Trustees with a blend of professional experience including financial, IT, legal, human resources and risk management. This is complemented by the appointment of two TMBC elected Member Trustees and a Staff Trustee.

The Board promotes the aims and objectives of the Trust and provides strong, challenging support to the Executive Management Team. All of the Trustees are residents of the Borough with the exception of the current Staff Trustee.

The main objectives during the year included the seamless transition from the outgoing Chief Executive to the incoming following a 14-month handover period. A key focus for the Board has been the future plans for the Angel Leisure Centre redevelopment. The Trust was officially appointed in November 2024 as the operator of the new leisure centre upon completion. This appointment was the catalyst for the commencement of negotiations regarding the extension to the contract term for the whole portfolio managed by the Trust for TMBC and the initial and continuing financial arrangements associated with the Angel Leisure Centre project.

There has also been an enhanced focus on the community aspect of the Trust supporting its charitable objectives with additional staffing resources appointed to aid further expansion of outreach delivery and launch of the Talented Athlete Scheme.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

- Financially sound and prudent:

Sustainability is a key Business Plan objective of the Trust. Following the depletion of the Trust's reserves during the global pandemic the reserves have recovered to an encouraging level largely aided by the supportive relationship with TMBC and the creative yet prudent approach to management and operations by the Trust.

The Core Service fee from TMBC to the Trust remained at zero. The continuing uncertainty regarding global events impacting energy prices meant that the tariff protection clauses within the Management Agreement were further suspended in favour of a Utilities Service Fee of £134,400.

The Board had carried out a detailed review of the reserves policy with consideration given to potential capital investment and long term sustainability.

-Fit for purpose:

Following the retirement of the Trust's inaugural Chief Executive the post of Deputy Chief Executive was removed when its incumbent took over the role of Chief Executive in September 2024. Other changes during the year, included the introduction of a Business Development Manager to lead the enhanced commercial focus of the Trust helping support long term financial sustainability. The Executive Management Team (EMT) led by the Chief Executive now comprises the Chief Financial Officer, the Chief Operating Officer, Head of Facilities and Compliance, Head of Marketing, Media and Communications, Head of People and Culture and the Business Development Manager.

Operation of the Trust is assured through an existing but evolving suite of policies and procedures contained in an Integrated Management System. Roles and responsibilities in terms of governance and executive management are based upon guidance from the Association of Chief Executives of Voluntary Organisations (ACEVO). Key policies affecting health and safety and employment issues are also subject to Board approval.

Overall achievement of the objectives of the Trust is managed through the Business Plan and the Annual Service Delivery Plan which is reviewed on a quarterly basis and reported to TMBC.

- Learning and improving:

The Trust is committed to being fully engaged in the sector in which it operates by contributing on a local level to a national agenda. This is aided by the Trust being an active member of Community Leisure UK (CLUK), the principal representative organisation for the sector with general and regional meetings.

The Executive Management Team has reviewed the engagement with CIMSPA, the Chartered Institute representing the leisure industry, to help promote membership to the wider team and actively engage with the learning and development opportunities across the whole establishment. This partnership will continue to develop over the forthcoming year and to ensure the offer that is suitable for all.

The Trust continues to challenge its management and delivery and currently remains committed to benchmark this through Quest, the national quality scheme for sport and leisure to ensure industry best practice. The Trust has reported financial and usage information to the Moving Communities platform.

The Trust has a training plan to ensure the continuing professional development of staff at all levels of the service. Training is delivered through an online platform with records uploaded to the workforce management software to analyse and track completion.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

- Accountable and transparent

The work of the Trust sits entirely in the public domain and the Trust utilises its Customer Charter, meetings with key users, surveys, mystery visits and feedback mechanisms to encourage transparently and develop improvement action plans when required.

As a key stakeholder the Trust reports to senior officers at TMBC on a formal recorded basis against the approved Annual Service Delivery Plan and comprehensive Quarterly Update Reports. A monthly strategic meeting is held to discuss financial and operational issues related to the ongoing performance, development and sustainability of the Trust. A separate contract/service fee meeting with TMBC was introduced in 2024/25 to ensure focus and momentum on these specific time sensitive issues.

Social investments

The Trust recognises the importance of investing resources in activities and service that enhances social impact and improves the lives of the local community. During 2024/25 the community programme brand changed from 'tmactive 150' to 'Active Communities' emphasising the Trust's objective and vision. Additional team members were recruited to support delivery and expansion of the program across the Borough. The launch of this rebrand coincided with the Talented Athlete Scheme launch that supports sports men and woman from the borough achieve their sporting potential and serve as inspiration to others.

The Trust selected Porchlight as their chosen charity to help raise funds with over £14,000 being raised by activities attended by staff and customers including, charity golf day, family fun day, CEO Sleep Out and New Year outdoor swim.

Fundraising

The Trustees are responsible for ensuring the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in engaging with residents in the local community. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's stated mission and purpose.
- The charity will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, permanent, casual and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Achievements and performance

Charitable Activities

The Trust's Head Office is at 1-5 Martin Square, Larkfield, Kent, ME20 6QL. The Offices are leased by TMBC to the Trust.

The Trust conducts business and generates income from the following locations:

- Larkfield Leisure Centre
- Angel Leisure Centre, including Sports Pitches and AWPAs at The Farm Sports Ground.
- Tonbridge Swimming Pool and Racecourse Sports Ground
- Poult Wood Golf Course
- Leybourne Lakes Country Park
- Kings Hill Sports Park

In 2023/24, in line with the new Two-Year Business Plan (2023-2025) negotiations recommenced for the Service fee to cover the next four-year period to 31 March 2028. This resulted in further agreement for the Service Fee, now designated as the Core Service Fee, to remain at zero until 31st March 2028.

The budget for 2024/25 forecast a surplus of £139,250. After the budget was set an agreement was reached with TMBC for the Trust to assist with customer car parking arrangements at the Angel Leisure Centre and Tonbridge Swimming Pool.

The budget also assumed payment from TMBC of £410,000 as a Utility Service Fee in lieu of the continued waiver of the tariff protection agreement. Due to the softening of the gas and electricity prices over the year the utility service fee was reduced to £134,400.

The financial performance was exceptional throughout the year with the actual end of year surplus being £789,878. This surplus over budget arose from outperforming income reflecting continuing service to customers and a strong control over expenditure.

Key areas of the business that performed particularly well include health and fitness (+7%), catering (+45%), golf memberships (+19%), driving range income (+33%), Kings Hill 3G hire (+7%) and Prima dance (+16%). It is encouraging that a broad range of activities across the portfolio are contributing to the positive financial position.

The key priorities identified within the Two-Year Business Plan are used to highlight areas of progress. The Annual Service Delivery Plan was used to drive specific objectives, and the Balanced Scorecard was revised and continued to be used to measure identified KPIs and provide a view of the overall health of the business in terms of financial, operational, customer and staff perspectives.

PARTICIPATION

Around 1.4m customer visits were recorded in 2024/25 representing an increase of 4% against the previous year and 14% higher than pre-Covid. Health and fitness attendance increased by 5% with memberships increasing by 8% from the previous year.

Following the surge in Swim School enrolments post pandemic the growth continued with a 3% increase from the previous year and still represents a significant achievement with 3575 children enrolled in the school. Casual swimming experienced a challenging year due to unpredictable weather.

Poult Wood Golf Course also experienced challenging weather conditions early in the year yet there was still a 17% increase in rounds of golf played compared to 2023/24.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

AWARENESS - The Trust continued to maintain awareness of the profile of the brand increasingly through social media. The Trust continued to promote its charitable ethos to customers through the website and social channels to raise awareness of the reinvestment of funds using marketing material from Community Leisure UK. New large 'Seriously Social' boards were introduced at sites to raise awareness of the contribution by the Trust to the local community.

HEALTHY LIFESTYLES - The previous tmaactive150 health and wellbeing brand was reinvigorated in 2024/25 and relaunched as 'Active Communities'. This represents the enhanced focus of this aspect of the Trust's business with the programme continuing to grow. Participation increased by 30% with additional outreach locations added to the programme to increase accessibility to activities. The Talented Athlete Scheme was launched with 16 young sports men and woman now supported during 2024/25 by the Trust to assist with achieving their sporting goals and act as tmaactive ambassadors within the community.

CUSTOMER SATISFACTION - The primary feedback mechanisms used in 2024/25 were mystery visits undertaken by industry professionals, Pro-Insight and the Net Promoter Score. Each of the four main sites were subject to a mystery visit each quarter and the average score throughout the year was an impressive 85% , representing an improvement of 2% from 2023/24. The visits are utilised to highlight further improvements in customer service.

The Net Promoter Score is derived from automated customer surveys asking the likelihood of the customer recommending the facility to friends and family on a scale of 0-10, with only scores of 9 and 10 rated as promoters and scores of 0-6 regarded as detractors. This measure showed the Trust score as 55% against a national industry average of 37%.

The Trust continued to use Google review scores. Across all sites the Trust Google Review score averaged 4.33 out of a maximum of 5. The Trust also continued to undertake a range of targeted customer surveys for Swim School, group exercise and catering to help shape future planning and investment and service delivery.

The internal inspections initially completed by the Deputy CEO continued to be completed by the Chief Operating Officer. These visits provide an internal assessment of facility operation and presentation and help identify areas for improvement.

SOCIAL INCLUSION - The Trust has continued to deliver concessionary use to Leisure Pass holders. Concessionary prices continue to be extended to people on low income, senior citizens, students, juniors and people living with disabilities. The Active Communities programme continued to promote low cost as well as free access to individuals and families experiencing financial difficulties.

CHARITABLE - The Trust continued to support charitable causes within the community with over £14,000 being raised for its current nominated charity, Porchlight. Just under £3000 was also donated in the form of vouchers for activity use to other good causes to help them raise funds.

ENVIRONMENTAL

In line with TMBC's ambition to be carbon net zero by 2030 they have, with support from the Trust, progressed several environmental initiatives aimed at reducing carbon emissions and improving energy efficiency. Solar panels installed at Tonbridge Swimming Pool and Larkfield Leisure Centre generated a combined 134 MWh for the year, accounting for 7% and 5% of each site's electricity usage respectively, and delivering total savings of £26,000. An additional 278 panels were installed at LLC in early 2025, funded through the Sport England Swimming Pool Support Fund Phase 2.

TMBC also secured PSDS Wave 3c funding for the installation of air source heat pumps at Larkfield Leisure Centre to replace aging boilers providing air and water heating to the fitness pool. Installation started in March 2025 with completion due in early 2026.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The Trust has established a carbon footprint monitoring platform, recording a baseline of 2,175 tonnes of carbon dioxide equivalent for the year ending 31 March 2025.

The Leybourne Lakes Country Park utility vehicle has transitioned from diesel to biodiesel.

QUALITY

The Trust continued to commit to Quest, the national quality scheme for sport and leisure. The three main indoor leisure sites underwent Quest assessments during the year with scores ranging from good to excellent.

The Health & Safety Committee chaired by the Chief Executive, with attendees representing all sites, met quarterly. External expert support also attended these meetings to advise on legislative changes and provide industry updates.

The Trust re-committed to the industry accredited LeisureSafe™ standard. Three sites were assessed in 2024/25 with impressive scores being achieved ranging from 77% - 90%.; The remaining three sites will be assessed in 2025/26.

STAFF

Staff turnover of contracted staff showed a 9% decrease from the previous year.

Following the increase in April 2024 of the National Living Wage by 9.8% the further increase in April 2025 of 6%, coupled with the increased employer National Insurance (NI) contributions and the lowering of the NI threshold from which employer NI is paid, has provided additional financial challenges which have also increased the ongoing establishment baseline costs.

A range of Human Resource policies and procedures were approved by the Board throughout the year. All policies and procedures are issued to staff via the UKG App with regular updates communicated.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Achievements and performance

Public benefit

The Trustees confirm they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trust has been operating for twelve years and can clearly demonstrate success against 'The Hallmarks of an Effective Charity' outlined in the Charity Commission guidance.

-Equality and Diversity:

The Trust's Equality and Diversity Policy and Procedure commits to providing a workplace free from discrimination, harassment, and victimisation, ensuring fair treatment and equal opportunities for all. The policy defines equality and diversity, outlining responsibilities for managers, employees, and leadership to foster dignity, respect, and full participation. The policy applies to all employment stages and service delivery, promoting diverse recruitment, accessibility, reasonable adjustments, and the removal of barriers for underrepresented groups.

It includes clear commitments to address and challenge discrimination across all protected characteristics, ensure equitable access to employment, training, development, and pay, and provide mechanisms for grievances and complaints. Regular monitoring and review underpin its aim to value individual differences, promote fairness, and maximise the potential and contributions of all staff.

Key performance indicators

The Trust's key performance indicators for 2025 compared to the previous year were:

	2025	2024
Total Income	£11.2m	£11.1m
Total Expenditure	£10.4m	£10.5m
Wages as a % of turnover	54.2%	52.9%
Health & Fitness Membership	5,447	5,199
Swim & Spa Membership	1,686	1,598
Swim School Membership	3,575	3,470

Financial review

Financial position

The Board approved a budget surplus of £139,250. The actual year end surplus was £789,878 which represents a significant outperformance.

Total income rose to £11.2m. The total cost of electricity and gas in 2024/25 fell from £1.53m in 2023/24 to £1.18m due to softening of prices which resulted in a reduction in the Utilities Service Fee. Total expenditure reduced from the prior year of £10.5m to £10.4m. Despite increased staffing overall expenditure reduced.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Reserves policy

The 2023/24 financial year saw a fundamental change to the Trust's reserves policy, where instead of an identified minimum net asset position, specific individual reserves were identified and funds allocated to each.

The level of required reserves is reviewed annually and for 2024/25 the overall reserve continues to incorporate these four specific areas;

Operational

This identifies the level of working capital to cover seasonal fluctuations and anticipated strain on cash flow during the financial year.

Risks

To include geographical events including cost of living challenges, future pandemics and increased local competition.

Development Plans

A range of capital development projects have been identified to improve the customer experience and have a positive impact on revenue. It is acknowledged that whilst a significant contribution will be made to the Angel Leisure Centre development it is imperative that investment continues across the whole portfolio.

Contingency

Funds for unexpected events that may not be foreseen such as sudden full or partial closure of facilities or unexpected increase in costs not covered within the annual budget.

The 2023/24 financial year targeted an overall reserve position of £1.7million.

The review process for 2024/25, due to a combination of the Trust's increased scale and the identification of further developmental projects, has meant a change to the targeted overall reserve to £1.885 million.

Total Funds

Total funds held at 31 March 2025 were £2,512,160 (2024: £1,740,282) of which £53,641 (2024: £64,016) were restricted. The Board has designated funds as detailed below:

General Fund

The Trust has established a General Fund, which provides a level of security and sustainability reflective of the overall size of the organisation. Net current assets at 31 March 2025 were £1,581,516 (2024: £828,179).

Currently the Trust holds £2,314,984 (2024: £1,529,162) of undesignated reserves within the General Fund before accounting for the pension asset/liability which is currently £nil.

IT Replacement Fund

In 2016/17 the Trust reached agreement with TMBC to asset transfer the IT hardware for the rest of the contract period. This decision was approved by the Board and a lump sum of £200,000 was paid to the Trust. New IT hardware has been purchased, and the balance is placed in a designated reserve to allow future replacement which currently stands at £122,358 (2024: £125,927).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Telephone Replacement Fund

In 2021/22 the Trust reached agreement with TMBC to asset transfer the telephony hardware for the rest of the contract period. The decision was approved by the Board and a lump sum of £35,300 was paid to the Trust. During the year there was no expenditure. The reserve currently holds £21,177 (2024: £21,177).

FRS 102 Pension Fund

Total unrestricted funds before accounting for the pension surplus held at the 31 March 2025 were £2,458,519 (2024 £1,676,266). A pension surplus of £nil (2024: £nil) has been included in the Financial Statements to comply with the provisions of FRS 102. After accounting for the pension position, total funds including restricted funds amount to a surplus balance of £2,512,160 (2024: £1,740,282).

Restricted Funds

Total restricted funds held at 31 March 2025 were £53,641 (2024 £64,016).

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks.

Risk management

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.

The Board has approved a series of detailed risk statements which form the Trust's Corporate Risk Register. Each of the identified risks is rated based upon likelihood and severity and prioritised. Risk Managers are identified. The Register includes corporate risk, business continuity risks and high-level operational risks. An individual Trustee was appointed as the Board Risk Champion and helped guide and develop the original register which is now reviewed annually or more frequently by exception.

The Corporate Risk Register is arranged under a range of key headings;

- Charitable Status - changes to or failure to comply with charitable legislation and objectives
- Company Legislation - changes to or failure to comply with company legislation
- Relationship with Council - failure to secure contract extension past 2033 and/or change in local authority policy
- Health & Safety Legislation - changes in legislation and/or serious breach of legislative requirements
- Data Protection & IT Security - breach of data protection legislation and/or cyber attack
- Environmental Issues / Climate Change - breach or change in legislation and/or long term adverse environmental conditions especially on outdoor facilities
- Business Continuity - loss or failure of key suppliers including IT systems providers and severe recruitment difficulties
- Financial Sustainability - general inflation including utilities costs and/or withdrawal of local authority funding support through changes to the Management Agreement
- Service Disruption - major plant or equipment failure, fire, flood or pandemic

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the charitable company nor any of its Trustees held any funds as custodian Trustee.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Plans for future periods

The Trust's Three-Year Business Plan covering the period 1 April 2025 to 31 March 2028 has been approved by the Board and shared with TMBC. The three-year plan completes the 5-year period 2023-2028. Previously five-year plans had been produced but following the challenges of recovery from COVID it was deemed that a 2-year plan during the business recovery period followed by a three-year plan would be more appropriate.

The new three-year plan focuses on a period of transformation to prepare the Trust for the opportunities and challenges ahead. To support the continued positive financial performance there will be an enhanced focus on commerciality. The Trust is also committed to community engagement ensuring that services and programmes are appropriate for a broad range of the community. The Trust is excited to further develop the 'Active Communities' programme that offers facility based and out in the community services, delivering a varied programme accessible to all, including those within specific needs or hard to reach groups. The Trust is committed to breaking down barriers to participation.

These two core themes are supported by five core priorities: contract and financial stability, efficiency and effectiveness, environment, customer journey and community engagement.

A further review of capital development options has been presented to the Board and investment projects in 2025 - 26 include wet changing rooms at Larkfield Leisure Centre, course signage improvements at Poult Wood Golf Course, development of the reception area at Larkfield Leisure Centre with introduction of cashless operations, additional inclusive gym equipment at the Angel Leisure Centre and drowning detection technology at Larkfield Leisure Centre and Tonbridge Swimming Pool. The board has also agreed a significant contribution to the new Angel Leisure Centre development.

The Trust's main focus continues to be its current portfolio of facilities, with TMBC and Kings Hill Parish Council, however serious consideration will be given to potential new facility management contracts that appropriately meet the Trust's objectives and do not detract from these.

The Trust has entered a period of transformation to ensure that it is fit for the future and able to react positively to challenges. Through the Trust's managerial expertise and successful initial 12 years of management of leisure facilities the Trust has demonstrated its capability to embrace opportunities utilising the knowledge and experience of the management team.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company, a company limited by guarantee, was established under a Memorandum of Association which formed the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and appointment of new Trustees

The current Board consists of 11 Trustees of which 8 are Community Trustees. Recruitment of Community Trustees is subject to general advertisement and approval of the Board in accordance with the Articles of Association. Recruitment will highlight relevant skills and experience that are deemed appropriate to complement the existing profile of Trustees. New Community Trustees will be required to live and/or work within the Borough to ensure truly local interest and representation. The appointment of the Staff Trustee will be at the approval of the Board and through a transparent process that allows consideration of any permanently contracted employee of the Trust whether full or part time.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

In addition to the 8 Community Trustees and the Staff Trustee, the Leader of Tonbridge & Malling Borough Council nominates two Members to the Board making up the full complement of 11. At 31 March 2025 there were no vacancies on the Board. According to the Articles of Association three Trustees retired by rotation at the Annual General Meeting held in December 2024. All three retirees, Vidhya Ratnam, Duncan Scott and Mark Davis, were unanimously re-elected. The Chair, Alan Nicholl was re-elected unopposed, and Simon White was re-elected unopposed to the role of Vice Chair. Following the year end one Trustee, Duncan Scott, resigned. This means there is currently one vacancy. The Trustees will carefully consider an appointment to ensure the Trust has the required range of skills to support the transformation of the Trust.

Board Meetings

The Board had 4 scheduled General Meetings in 2024/25. The Annual General Meeting was held in December 2024. The Board received detailed quarterly updates at Board meetings in respect of the financial position, strategic and key operational matters, staff and customer related issues. One EGM was held to approve the audited Financial Statements for the year ended 31 March 2024 together with the Report of the Trustees.

Induction and training of new Trustees

Induction of new Trustees is undertaken using the original Induction Pack prepared by WS Law that outlines the duties and responsibilities of a Director and Trustee. WS Law continue to be retained by the Trust and can deliver the training directly if felt appropriate.

The Chair and the Chief Executive will provide a comprehensive introduction to the facilities, background to the Trust, business, operational and financial plans. In addition, the Chair and the Chief Executive will provide a detailed overview of the suite of documents that form the agreement between the Trust and Tonbridge & Malling Borough Council.

Remuneration of Key Management Personnel

In 2024/25 an approved cost of living award of 4% was made to all key members of the Executive Management Team.

The Board considers the recommendation of the Chief Executive annually in the context of the overall draft budget. Factors taken into account include the increase to the national minimum wage and its consequential impact of the Trust's salary scales and the pay differential between team members, affordability, local competitors, and the Community Leisure UK Annual HR report which benchmarks rates of pay across all roles within the sector.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Engagement with employees

Staff notice boards displaying urgent matters and points of interest along with insurance certificates for public and employee liability are maintained in each of the staff rooms across all sites.

The implementation of the UKG workforce management system has allowed for greater engagement. All policies are available on the platform along with the staff handbook. The system also allows staff to request shift changes and annual leave as well as providing the platform for automated timesheets and clocking in.

Biannual Line Manager meetings are held, everyone in a supervisory role is asked to attend along with the CEO and COO. Financial and operating performance are relayed with the intention of this being passed on to all employees. There is opportunity for the discussion of key issues with senior management requesting suggestions and questions.

The Trustees receive staff related information at each Board Meeting and are responsible for approving pay reviews, any potential restructures, and all HR policy documents. There is a staff Trustee elected by their colleagues, who is equal in status to other Board Members.

A number of the current Trustees are regular users of the Trust's facilities and thereby have informal direct access to staff members outside of senior management.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08447331 (England and Wales)

Registered Charity number

1154831

Registered office

1-5 Martin Square

Larkfield

AYLESFORD

Kent

ME20 6QL

Trustees

A C Nicholl

S King (resigned 20.4.24)

M Davis

K Bennett

D Scott (resigned 10.6.25)

T Bishop

S White

P Philbey

S Ratnam

K S Tunstall

A P Burdon (appointed 3.6.24)

J F Buttery (appointed 3.6.24)

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

D Sayle

Auditors

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

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Bankers

National Westminster Bank PLC
Chatham Customer Service Centre
Western Avenue
Waterside Court
Chatham Maritime
Chatham
Kent
ME4 4RT

Company trading name

tmactive

Executive management team

Members of the team for the whole financial period, unless otherwise stated were:

M Guyton - Chief Executive (retired 31st August 2024)

E Wood - Chief Executive (1st September 2024. Deputy Chief Executive 1 April 2024 - 31st August 2024)

D Sayle - Chief Financial Officer

K Brimsted - Chief Operating Officer

W Parker - Head of Media, Marketing and Communications

I Mansfield - Head of Facilities and Compliance

C Bushell - Head of People and Culture

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Tonbridge and Malling Leisure Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

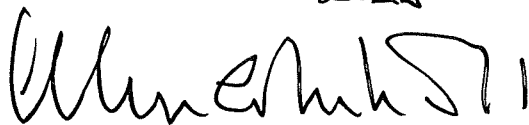
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~8th September~~ ²⁰²⁵ and signed on the board's behalf by:



.....
A C Nicholl - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TONBRIDGE AND MALLING LEISURE TRUST

Opinion

We have audited the financial statements of Tonbridge and Malling Leisure Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2025 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Our responsibilities for the audit of the financial statements

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

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charitable Company, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 8/09/2005

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	3					
Operation of leisure/golf centres/country park		11,140,104	-	(7,422)	11,132,682	11,056,033
Investment income	2	73,544	-	-	73,544	50,657
Total		<u>11,213,648</u>	<u>-</u>	<u>(7,422)</u>	<u>11,206,226</u>	<u>11,106,690</u>
EXPENDITURE ON						
Charitable activities	4					
Operation of leisure/golf centres/country park		<u>10,431,395</u>	<u>(18,000)</u>	<u>2,953</u>	<u>10,416,348</u>	<u>10,547,665</u>
NET INCOME/(EXPENDITURE)		782,253	18,000	(10,375)	789,878	559,025
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>	<u>(62,000)</u>
Net movement in funds		782,253	-	(10,375)	771,878	497,025
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>1,676,266</u>	<u>-</u>	<u>64,016</u>	<u>1,740,282</u>	<u>1,243,257</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,458,519</u></u>	<u><u>-</u></u>	<u><u>53,641</u></u>	<u><u>2,512,160</u></u>	<u><u>1,740,282</u></u>

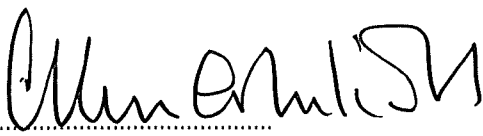
The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST (REGISTERED NUMBER: 08447331)
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 MARCH 2025

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
FIXED ASSETS						
Tangible assets	10	877,003	-	53,641	930,644	912,103
CURRENT ASSETS						
Stocks	11	118,762	-	-	118,762	116,190
Debtors	12	398,515	-	-	398,515	403,459
Investments	13	1,077,707	-	-	1,077,707	962,442
Cash at bank and in hand		1,604,898	-	-	1,604,898	857,226
		<u>3,199,882</u>	<u>-</u>	<u>-</u>	<u>3,199,882</u>	<u>2,339,317</u>
CREDITORS						
Amounts falling due within one year	14	(1,618,366)	-	-	(1,618,366)	(1,511,138)
		<u>1,581,516</u>	<u>-</u>	<u>-</u>	<u>1,581,516</u>	<u>828,179</u>
NET CURRENT ASSETS						
		<u>1,581,516</u>	<u>-</u>	<u>-</u>	<u>1,581,516</u>	<u>828,179</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,458,519</u>	<u>-</u>	<u>53,641</u>	<u>2,512,160</u>	<u>1,740,282</u>
NET ASSETS		<u>2,458,519</u>	<u>-</u>	<u>53,641</u>	<u>2,512,160</u>	<u>1,740,282</u>
FUNDS	16					
Unrestricted funds					2,458,519	1,676,266
Restricted funds					53,641	64,016
TOTAL FUNDS					<u>2,512,160</u>	<u>1,740,282</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8th September 2025 and were signed on its behalf by:



 A C Nicholl - Trustee

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	934,343	609,469
Net cash provided by operating activities		934,343	609,469
Cash flows from investing activities			
Purchase of tangible fixed assets		(144,950)	(155,177)
Deposit account investment movement		(115,265)	(709,659)
Interest received		73,544	50,657
Net cash used in investing activities		(186,671)	(814,179)
Change in cash and cash equivalents in the reporting period		747,672	(204,710)
Cash and cash equivalents at the beginning of the reporting period		857,226	1,061,936
Cash and cash equivalents at the end of the reporting period		1,604,898	857,226

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

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

	31.3.25 £	31.3.24 £
Net income for the reporting period (as per the Statement of Financial Activities)	789,878	559,025
Adjustments for:		
Depreciation charges	126,409	106,425
Interest received	(73,544)	(50,657)
Increase in stocks	(2,572)	(17,952)
Decrease/(increase) in debtors	4,944	(132,185)
Increase in creditors	107,228	157,813
Difference between pension charge and cash contributions	(18,000)	(13,000)
Net cash provided by operations	<u>934,343</u>	<u>609,469</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	857,226	747,672	1,604,898
	<u>857,226</u>	<u>747,672</u>	<u>1,604,898</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	962,442	115,265	1,077,707
	<u>962,442</u>	<u>115,265</u>	<u>1,077,707</u>
Total	<u>1,819,668</u>	<u>862,937</u>	<u>2,682,605</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Tonbridge and Mallong Leisure Trust is a private company limited by guarantee, registered in England and Wales. The company is also a Charity registered in England and Wales. The company number, charity number and registered office can be found on the company information page. The presentation currency is GBP and numbers are not rounded within the financial statements.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider the key sources of estimation uncertainty; depreciation and amortisation charges for assets included in the Statement of Financial Position based on the estimated useful economic life of the assets and deferred and accrued income is recorded over the period for which the memberships relate.

In addition to the above, the present value of the Local Government Pension Scheme defined benefit asset / 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 (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. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension position at 31 March 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset / liability.

Going concern

Although the economic turbulence caused by national and international events since the beginning of 2020 has stabilized, the threat of global geopolitical issues reoccurring in the future remains a risk. Despite these continuing uncertainties, membership levels and public attendance at the Trust's facilities continue to exceed pre-pandemic levels. The comfort created by this level of popularity, coupled with the combination of mitigating factors available to the Trust and detailed below means that the Charitable Company remains in a strong position to cope with any resultant adverse impacts, if and when they arise.

The Trust's recent trading performance has created a strong reserve position in terms of liquid funds in the form of current accounts and fixed term, interest bearing deposits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Going concern

Despite rising staffing costs in the form of increased employer's national insurance and national minimum wage rates that came into effect in April 2025, the Trust is again forecasting a surplus budget for the 25/26 financial year.

This detailed budgeting for the year ended 31st March 2026 and the cashflow forecast for a further year suggests that the Trust's financial position will continue to remain at a robust level.

The utility tariff protection agreement with TMBC, by which the Charitable Company is protected against increases above inflation in the price of gas and electricity remains in place.

In respect of the tariff protection agreement, the Charitable Company have successfully negotiated an amendment by which a service fee arrangement provides for quarterly interim payments made to the Charitable Company by TMBC which, therefore, protects cash flow throughout the year.

The defined benefit pension protection agreement with TMBC negates the Trust's exposure to rises in employer contribution rates for all staff that transferred to the Trust at the point of inception. The staff that fall into this category represent the majority of employees who are members of the local government defined benefit scheme.

The Executive Management Team continue to work with TMBC via regular strategic level meetings on a financially transparent basis to ensure the sustainable future of the Charitable Company.

Arrangements have been made for investment by TMBC in energy savings schemes at operational sites, some of which are already in place with others planned for future implementation. This is with the view of reducing energy costs but is in line with the Council's stated policy target of becoming net zero by 2030.

It is considered that the demography of the Charitable Company's customer base will continue to protect the Trust should any deterioration in the cost of living arise. However, the Board will continue to monitor the position and support targeted offers with the aim of minimising any reduction in customer levels.

As a result of the strong reserves position and the mitigating actions detailed above the Board believes that no material uncertainty exists that the charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future and it has therefore prepared the financial statements on a going concern basis.

Income

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

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Expenditure

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

Redundancy / termination payments

Redundancy costs are recognised in the statement of financial activities in the financial period the entity is demonstrably committed to terminate employment or make payment due to an offer made to encourage redundancy.

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites. Charitable activities are split into leisure activities, which are those costs incurred directly in the running of each of the sites, and support costs which are those costs incurred directly in support of expenditure on the objects of the charitable company. Governance costs are those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

Fixed assets costing in excess of £2,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line over 5 to 10 years

Plant and machinery - straight line between 3 to 10 years

Improvements to leasehold property - SL over remaining term of lease (31/10/2033)

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.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds or designated funds, which are set aside by the trustees for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Pensions

The charitable company operates a pension scheme through Kent County Council providing benefits based previously on final pensionable pay but amended from 1 April 2014 to career average revalued earnings (CARE). The assets of the scheme are held separately in an independently administered fund. Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the charitable company in respect of all transferring staff. Employees who joined the charitable company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the charitable company is liable for. Accordingly, the financial statements for the year ended 31 March 2025 show a pension asset/liability of £Nil (2024 asset: £Nil) as calculated by the scheme actuary.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the trust 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 introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the 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. Actuarial remeasurement gains and losses are recognised immediately in other recognised gains and losses.

In addition, the charitable company operates a defined contributions pension scheme for new staff, the cost of which is charged to the Statement of Financial Activities as incurred.

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Financial instruments

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, 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 offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed, to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Inventories are also assessed for impairment at each reporting date. Each item of inventory is compared to the last sold date and an impairment loss recognised on a percentage basis in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit and loss.

Service concessions arrangements

The charitable company has a Service Contract with Tonbridge & Malling Borough Council for the operation of leisure centres, golf courses, and a country park owned by the Council to which it has lease and management service contracts. Tonbridge & Malling Borough Council has rights under the contracts to specify the activities offered by the centres and the minimum standards for the services to be provided.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Financial instruments

Property, plant and equipment

The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Tonbridge & Malling Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, golf courses and country park, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet. Improvements to property funded by the Trust are shown in the balance sheet as fixed assets and are depreciated over the term of the lease.

Current asset investments

Funds held within deposit accounts with an original maturity date over three months are classified under current asset investments.

2. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Deposit account interest	73,544	50,657

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.25	31.3.24
		£	£
Leisure centre income	Operation of leisure/golf centres/country park	11,140,104	10,996,670
Insurance claim	Operation of leisure/golf centres/country park	-	908
Grants	Operation of leisure/golf centres/country park	(7,422)	58,455
		11,132,682	11,056,033

The grant of £7,422 shown above relates to unspent monies from the KCC Reconnect Funding received, which has been returned in the year.

Grants received, included in the above, are as follows:

	31.3.25	31.3.24
	£	£
KSP Leasehold Grant	-	58,455

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Operation of leisure/golf centres/country park	9,327,351	1,088,997	10,416,348

5. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Operation of leisure/golf centres/country park	1,060,592	28,405	1,088,997

6. NET INCOME/(EXPENDITURE)

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

	31.3.25 £	31.3.24 £
Audit Fee	24,156	21,882
Other non-audit services	4,249	4,040
Depreciation - owned assets	126,409	106,425

7. TRUSTEES' REMUNERATION AND BENEFITS

Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff and not in respect of their services as trustees. Other Trustees did not receive any payments, other than expenses, from the charitable company in respect of their role as Trustees. The value of the Trustees' remuneration during the period was as follows:

K Bennett (staff trustee) £25,027 (2024: £21,617), pension contributions £5,598 (2024: £5,140).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

7. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the period, reimbursed expenses amounting to £39 (2024: £nil) were paid to a trustee for thank you gifts for sites. The expense was incurred by the staff trustee in their capacity of an employee of the trust.

8. STAFF COSTS

	31.3.25	31.3.24
	£	£
Wages and salaries	5,415,773	5,226,444
Social security costs	373,657	353,858
Other pension costs	286,778	290,446
	<u>6,076,208</u>	<u>5,870,748</u>

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

	31.3.25	31.3.24
Senior management	7	8
Leisure activities	429	402
Support	12	12
	<u>448</u>	<u>422</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.25	31.3.24
£60,001 - £70,000	-	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£120,001 - £130,000	-	1
	<u>3</u>	<u>4</u>

The total amount of employee benefits received by key management personnel (KMP) is £646,247 (2024: £747,316). Those considered to be KMP are listed on page 14 of the Trustees report.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS102 Pension £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Operation of leisure/golf centres/country park	10,997,578	-	58,455	11,056,033
Investment income	50,657	-	-	50,657
Total	11,048,235	-	58,455	11,106,690
EXPENDITURE ON				
Charitable activities				
Operation of leisure/golf centres/country park	10,556,384	(13,000)	4,281	10,547,665
NET INCOME				
Transfers between funds	491,851	13,000	54,174	559,025
Other recognised gains/(losses)	(600)	-	600	-
Actuarial gains/(losses) on defined benefit schemes	-	(62,000)	-	(62,000)
Net movement in funds	491,251	(49,000)	54,774	497,025
RECONCILIATION OF FUNDS				
Total funds brought forward	1,185,015	49,000	9,242	1,243,257
TOTAL FUNDS CARRIED FORWARD	1,676,266	-	64,016	1,740,282

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Office equipment £	Totals £
COST				
At 1 April 2024	1,143,356	366,212	80,318	1,589,886
Additions	62,446	41,192	41,312	144,950
Disposals	-	(66,762)	(9,856)	(76,618)
At 31 March 2025	1,205,802	340,642	111,774	1,658,218
DEPRECIATION				
At 1 April 2024	414,281	200,989	62,513	677,783
Charge for year	79,794	40,478	6,137	126,409
Eliminated on disposal	-	(66,762)	(9,856)	(76,618)
At 31 March 2025	494,075	174,705	58,794	727,574
NET BOOK VALUE				
At 31 March 2025	711,727	165,937	52,980	930,644
At 31 March 2024	729,075	165,223	17,805	912,103

11. STOCKS

	31.3.25 £	31.3.24 £
Stocks	118,762	116,190

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Trade debtors	188,189	231,962
Other debtors	392	709
Prepayments and accrued income	209,934	170,788
	398,515	403,459

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

13. CURRENT ASSET INVESTMENTS

	31.3.25	31.3.24
	£	£
Unlisted investments	1,077,707	962,442

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Trade creditors	378,162	309,690
Social security and other taxes	91,848	107,561
VAT	55,601	56,056
Other creditors	53,892	79,254
Deferred income	684,716	620,871
Accrued expenses	354,147	337,706
	1,618,366	1,511,138

15. LEASING AGREEMENTS

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

	31.3.25	31.3.24
	£	£
Within one year	51,248	56,986
Between one and five years	1,612	15,860
	52,860	72,846

The charitable company holds a lease of £37,000 per annum for office rental which ends 31 March 2028, however this lease can be cancelled with 12 months notice. This lease is included within the table above.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

16. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	1,529,162	785,822	2,314,984
IT Replacement Fund	125,927	(3,569)	122,358
Telephone replacement	21,177	-	21,177
	<u>1,676,266</u>	<u>782,253</u>	<u>2,458,519</u>
Restricted funds			
KCC Reconnect	7,422	(7,422)	-
KSP Leasehold Grant	56,594	(2,953)	53,641
	<u>64,016</u>	<u>(10,375)</u>	<u>53,641</u>
TOTAL FUNDS	<u>1,740,282</u>	<u>771,878</u>	<u>2,512,160</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,213,648	(10,427,826)	-	785,822
IT Replacement Fund	-	(3,569)	-	(3,569)
FRS102 Pension	-	18,000	(18,000)	-
	<u>11,213,648</u>	<u>(10,413,395)</u>	<u>(18,000)</u>	<u>782,253</u>
Restricted funds				
KCC Reconnect	(7,422)	-	-	(7,422)
KSP Leasehold Grant	-	(2,953)	-	(2,953)
	<u>(7,422)</u>	<u>(2,953)</u>	<u>-</u>	<u>(10,375)</u>
TOTAL FUNDS	<u>11,206,226</u>	<u>(10,416,348)</u>	<u>(18,000)</u>	<u>771,878</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	1,035,198	494,564	(600)	1,529,162
IT Replacement Fund	128,640	(2,713)	-	125,927
FRS102 Pension	49,000	(49,000)	-	-
Telephone replacement	21,177	-	-	21,177
	<u>1,234,015</u>	<u>442,851</u>	<u>(600)</u>	<u>1,676,266</u>
Restricted funds				
KCC Reconnect	9,242	(1,820)	-	7,422
KSP Leasehold Grant	-	55,994	600	56,594
	<u>9,242</u>	<u>54,174</u>	<u>600</u>	<u>64,016</u>
TOTAL FUNDS	<u>1,243,257</u>	<u>497,025</u>	<u>-</u>	<u>1,740,282</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,048,235	(10,553,671)	-	494,564
IT Replacement Fund	-	(2,713)	-	(2,713)
FRS102 Pension	-	13,000	(62,000)	(49,000)
	<u>11,048,235</u>	<u>(10,543,384)</u>	<u>(62,000)</u>	<u>442,851</u>
Restricted funds				
KCC Reconnect	-	(1,820)	-	(1,820)
KSP Leasehold Grant	58,455	(2,461)	-	55,994
	<u>58,455</u>	<u>(4,281)</u>	<u>-</u>	<u>54,174</u>
TOTAL FUNDS	<u>11,106,690</u>	<u>(10,547,665)</u>	<u>(62,000)</u>	<u>497,025</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

16. MOVEMENT IN FUNDS - continued

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

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	1,035,198	1,280,386	(600)	2,314,984
IT Replacement Fund	128,640	(6,282)	-	122,358
FRS102 Pension	49,000	(49,000)	-	-
Telephone replacement	21,177	-	-	21,177
	<u>1,234,015</u>	<u>1,225,104</u>	<u>(600)</u>	<u>2,458,519</u>
Restricted funds				
KCC Reconnect	9,242	(9,242)	-	-
KSP Leasehold Grant	-	53,041	600	53,641
	<u>9,242</u>	<u>43,799</u>	<u>600</u>	<u>53,641</u>
TOTAL FUNDS	<u>1,243,257</u>	<u>1,268,903</u>	<u>-</u>	<u>2,512,160</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	22,261,883	(20,981,497)	-	1,280,386
IT Replacement Fund	-	(6,282)	-	(6,282)
FRS102 Pension	-	31,000	(80,000)	(49,000)
	<u>22,261,883</u>	<u>(20,956,779)</u>	<u>(80,000)</u>	<u>1,225,104</u>
Restricted funds				
KCC Reconnect	(7,422)	(1,820)	-	(9,242)
KSP Leasehold Grant	58,455	(5,414)	-	53,041
	<u>51,033</u>	<u>(7,234)</u>	<u>-</u>	<u>43,799</u>
TOTAL FUNDS	<u>22,312,916</u>	<u>(20,964,013)</u>	<u>(80,000)</u>	<u>1,268,903</u>

Designated Fund

Included within carried forward unrestricted general funds of £2,314,984 is a designated amount of £44,966 in respect of the Kings Hill Parish Council Sports Facility. This amount has been ring fenced in accordance with the contract for reinvestment in the sports park.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

16. MOVEMENT IN FUNDS - continued

IT Replacement Fund

During the year 31 March 2017 an amount of £200,000 was received from TMBC in respect of the replacement costs of IT equipment. Unspent funds at 31 March 2025 were £122,358 (2024: £125,927).

Telephone System Replacement Fund

During the year 31 March 2022 an amount of £35,300 was received from TMBC in respect of the replacement costs of the telephone system. Unspent funds at 31 March 2025 were £21,177 (2024: £21,177).

KCC Reconnect Fund

During the year 31 March 2022 an amount of £31,784 was received from KCC to deliver a programme of activities for children and young people through to August 2022. The aim of the grant is to help reconnect children and young people with activities they missed during the COVID-19 pandemic. During the year 31 March 2023 an additional amount of £7,946 was received upon final receipt of the monitoring data. Unspent funds at 31 March 2025 were £nil the unspent amount of £7,422 in 2024 was repaid. (2024: £7,422).

KSP Leasehold Grant

During the year 31 March 2024 an amount of £58,455 was received from FCC Community Foundation in respect of the provision of floodlights at tennis courts. This amount was spent in 2024 via capital expenditure, the funds balance at 31 March 2025 of £53,641 (2024: £56,594) represents the net book value of the assets.

17. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined benefit pension scheme for some employees administered by Kent County Council, the administering authority to the Kent County Council Pension Fund. The charitable company has admitted body status to the Kent County Council Pension Fund. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the full actuarial valuation of the fund carried out by the actuary as at 31 March 2025.

Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the charitable company in respect of pension contributions of all transferring staff. Employees who joined the charitable company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the charitable company is liable for. Accordingly, the financial statements for the year ended 31 March 2025 show a pension asset/liability of £nil (2024: £nil asset).

Movement on impact of asset ceiling

The impact of the asset ceiling also had £6,000 worth of interest associated with it, which is recorded within the SOFA.

The impact of asset ceiling in the current year totalled £419,000, adding the £6,000 of interest recognised in the SOFA, plus an opening position of £125,000, gives the closing position of £550,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Present value of funded obligations	(1,248,000)	(1,549,000)
Fair value of plan assets	1,798,000	1,674,000
	550,000	125,000
Present value of unfunded obligations	-	-
Impact of asset ceiling	(550,000)	(125,000)
Deficit	-	-
Net liability	-	-

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Current service cost	50,000	48,000
Net interest from net defined benefit asset/liability	(2,000)	(4,000)
Past service cost	-	-
Administrative expenses	2,000	1,000
	50,000	45,000
Actual return on plan assets	85,000	77,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Opening defined benefit obligation	1,549,000	1,527,000
Current service cost	50,000	48,000
Contributions by scheme participants	26,000	22,000
Interest cost	77,000	73,000
Estimated benefits paid net of transfers in	(25,000)	(40,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(3,000)	(17,000)
Actuarial (gains)/losses from changes in financial assumptions	(422,000)	(69,000)
Oblig other remeasurement	(4,000)	5,000
	<u>1,248,000</u>	<u>1,549,000</u>

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Opening fair value of scheme assets	1,674,000	1,576,000
Administration expenses	(2,000)	(1,000)
Contributions by employer	68,000	58,000
Contributions by scheme participants	26,000	22,000
Interest on assets	85,000	77,000
Estimated benefits paid plus unfunded net of transfers in	(25,000)	(40,000)
Return on plan assets (excluding interest income)	(28,000)	(18,000)
	<u>1,798,000</u>	<u>1,674,000</u>

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	3,000	17,000
Actuarial (gains)/losses from changes in financial assumptions	422,000	69,000
Oblig other remeasurement	4,000	(5,000)
Return on plan assets (excluding interest income)	(28,000)	(18,000)
Impact of asset ceiling	(419,000)	(125,000)
	<u>(18,000)</u>	<u>(62,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
Equities	57%	58%
Gilts	6%	7%
Other Bonds	15%	14%
Infrastructure	5%	5%
Property	8%	9%
Cash	4%	2%
Absolute Return Fund	5%	5%
	<u>100%</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,216,000	1,248,000	1,281,000
Projected service cost	28,000	30,000	31,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	1,250,000	1,248,000	1,246,000
Projected service service cost	30,000	30,000	30,000
Adjustment to pension increases and deferred revaluation	+0.1%	+0.0%	-0.1%
Present value of total obligation	1,593,000	1,248,000	1,217,000
Projected service cost	32,000	30,000	28,000
Adjusted to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	1,277,000	1,248,000	1,219,000
Projected service cost	31,000	30,000	29,000

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.25	31.3.24
Discount rate	5.95%	4.95%
Future salary increases	3.85%	3.90%
Future pension increases	2.85%	2.90%

Pension supporting information

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet - both in respect of any outstanding employer contributions and any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc.) but crucially differ in one key respect - that of the discount factor used to arrive at net present value of any surplus or deficit. Whereas the Ongoing Basis uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. The volatility of the discount rate assumption can lead to higher liabilities being shown than if the liabilities were calculated by the Ongoing Basis.

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LPGS, the last triennial actuarial valuation was carried out in 2022 and new rates set for 3 years from April 2023. The employer contribution rates have been set at 18.6% for the next 3 years.

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

18. CAPITAL COMMITMENTS

	31.3.25	31.3.24
	£	£
Contracted but not provided for in the financial statements	41,164	32,295

As at 31 March 2025, the Charitable Company had committed to contribute to the refurbishment of the Tonbridge Pool Health Suite. The contribution amount was unknown at the year end but a contribution of £41,164 has subsequently been agreed.

19. RELATED PARTY DISCLOSURES

During the year there were the following transactions with related parties:

The Trust made sales of £5,144 (2024: £5,378) to Tonbridge Juddians Rugby Football Club, where M Davis, a Trustee, is vice-president. There were no amounts due to the Trust at 31 March 2025 (2024: £nil).

The Trust made purchases of £11,240 (2024: £8,728) from and sales of £100 to CP Digital for social media services. The spouse of W Parker, a member of Key Management Personnel, is a director of CP Digital. There was a balance of £816 owed by the Trust at 31 March 2025 (2024: £1,296).

The spouse of I Mansfield, a member of Key Management Personnel, was employed by the Trust during the financial year and was paid £25,529.

During the year M Guyton has continued to use a vehicle leased by the trust after retirement from his role as Chief Executive Officer. The total post employment benefit is £28,675 which is being treated as ex gratia. M Guyton made a personal contribution towards the lease cost totalling £9,000.

20. LEGAL STATUS

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.

TONBRIDGE AND MALLING LEISURE TRUST

England & Wales - Charity number 1154831

Accounts

REGISTERED COMPANY NUMBER: 08447331 (England and Wales)
REGISTERED CHARITY NUMBER: 1154831

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
TONBRIDGE AND MALLING LEISURE TRUST
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McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 March 2024. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charitable Company are:

- to provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or for the public at large with the object of improving their conditions of life, and /or;
- to promote community participation in healthy recreation activities;
- to provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities;
- to develop the capacity and skills for those members of the community who are socially and/or economically disadvantaged in such a way as to enable them to identify, and help meet, their needs and to participate more fully in society;
- to pursue such other charitable purposes consistent with the above as the Trustees in their absolute discretion shall determine.

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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

- Clear about its purpose and direction:

The Trust has established a Vision, Mission Statement and Values outlined in the current strategic Two Year Business Plan (April 2023 - March 2025). Taking the national agenda of ukactive, the representative UK body and delivering that agenda locally the Trust's Vision of 'more people, more active, more often' mirrors the objects and powers of the Trust and the growing public recognition of the benefits of a healthy lifestyle.

The Mission Statement develops the manner in which the Vision will be delivered declaring 'Our mission is to provide a clean, safe and happy leisure experience on an inclusive basis to residents and visitors to Tonbridge and Malling for the benefit of their physical and mental health and wellbeing. We will achieve this in a sustainable way through excellence in our people, policies and practice.'

The Vision and Mission Statement is underpinned by nine core values as follows;

- Leadership
- Integrity
- Innovation
- Continuous Improvement
- Accessibility
- Customer Focus
- Teamwork
- Professionalism
- Environmental awareness

The values are further defined in the second 5 Year Business Plan and endorsed by the Board of Trustees.

- A strong Board:

Selection and recruitment of the Trust Board is planned and executed with a clear vision to provide a range of interested, articulate and passionate volunteers who bring a range of professional disciplines and experience to the boardroom. The Board currently comprises 8 Community Trustees with a blend of professional experience including financial, IT, policy development, human resources, management consultancy and business entrepreneurship. This is complemented by the appointment of two TMBC elected Member Trustees and a Staff Trustee.

The Board has continued to promote the aims and objectives of the Trust and provide strong, challenging support to the Executive Management Team. All of the Trustees are residents of the Borough with the exception of the Staff Trustee.

Critical issues throughout the year still related to ongoing business recovery following COVID-19 and the ensuing energy cost crisis, which have remained at the forefront of Board matters. Other key strategic issues have included negotiation of the Service Fee for the period 1 April 2024 to 31 March 2028, the future plans for the Angel Centre and succession planning for the retirement of the current Chief Executive. These and a number of other strategic issues have been debated at Board level with clear evidence of the benefit of the experience and empathy of the Trustees. Consensus on key issues has been reached with unanimity and where occasion has demanded the Board has delegated authority to act in the Chair and Chief Executive as appropriate.

- Financially sound and prudent:

Sustainability is a key Business Plan objective of the Trust. This was recognised by TMBC in its key priorities at the point of transfer of the leisure facilities to the Trust. The 20 year Management Agreement was supported by an initial 5 year funding agreement by TMBC. The stated objective within the initial Business Plan was to achieve a revenue reserve of £500,000 as soon as possible and this was achieved in 2016.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

- Financially sound and prudent - continued

The Trust's reserves were severely depleted during the period of the global pandemic and successive enforced lockdowns. However, the prudent approach to the Trust's financial position throughout the life of the Trust and a strong and supportive relationship with TMBC allowed regular discussions that ensured the steady rebuilding of the Trust's financial position. In 2023/24 the financial position allowed an extension for one year of the previous zero sum Core Service Fee. However, the continuing challenge in 2023/24 of global energy pricing remained and the further suspension of the tariff protection clauses within the Management Agreement in favour of a Utilities Service Fee of £750,000 was agreed with TMBC. The ongoing strong relationship with TMBC was demonstrable and the year end position indicated a full return to a long term sustainable future.

The objective within the 5 year Business Plan to hold a revenue reserve represented by a net current asset position of not less than £500,000 remained the goal in 2023/24. Within the Two Year Business Plan a review of reserves policy to incorporate a more dynamic and flexible approach was completed and approved by the Board.

-Fit for purpose:

The Executive Management Team (EMT) led by the Chief Executive now comprises the Deputy Chief Executive, the Chief Financial Officer, the Chief Operating Officer, Head of Facilities and Compliance, Head of Sales and Marketing, Head of People and Culture and the Head of Catering. The revised structure is a precursor to completing the Succession Plan and restructure when the current Chief Executive departs at the end of August 2024. The EMT provides a stable management approach consistent with the initial strategic and operational aims outlined in agreement with TMBC as part of the process of transfer to the Trust.

Operation of the Trust is assured through an existing but evolving suite of policies and procedures contained in an Integrated Management System. Roles and responsibilities in terms of governance and executive management are based upon guidance from the Association of Chief Executives of Voluntary Organisations (ACEVO). Key policies affecting health and safety and employment issues are also subject to Board approval.

Overall achievement of the objectives of the Trust is managed through the Two Year Business Plan and an Annual Service Delivery Plan that is reviewed on a quarterly basis and reported to TMBC.

- Learning and improving:

The Trust is committed to understanding the sector in which it operates and contributing on a local level to a national agenda. As a consequence the Trust is an active member of Community Leisure UK (CLUK) the principal trade organisation for the sector with general and regional meetings. The Chief Executive is the current South East Regional Director on the CLUK Board, further cementing the relationship of the Trust with the entire sector. In addition the Executive Management Team is engaged with CIMSPA, the Chartered Institute representing the leisure industry. All frontline staff are now encouraged to become CIMSPA members with identified and recorded Continuing Professional Development training required through the Institute, for staff to develop in the role. This accords with the aim of 'professionalising' the sector.

The Trust is committed to sector wide engagement in the delivery of its objectives and returned in 2023/24 to utilise Quest, the national quality scheme for sport and leisure to ensure industry best practice. The Trust has reported financial and usage information to the Moving Communities platform, established initially to validate Government expenditure through the National Leisure Relief Fund but now utilised to provide wider industry benchmarking and insight. The Trust also recognises the national and local importance of the new platform to support further sector funding including the Swimming Pool Support Fund.

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OBJECTIVES AND ACTIVITIES

The Trust has a training plan to ensure the continuing professional development of staff at all levels of the service. A move to new workforce management software, of which the first two of three modules (Core HR and Time and Attendance) were implemented in 2023/24 will allow greater control and reporting of statutory, core and development training at all levels. The third module (Recruitment) will be implemented early in 2024/25.

- Accountable and transparent

The work of the Trust sits entirely in the public domain and the Trust utilises its Customer Charter, panels, surveys and feedback mechanisms to engage transparently with all interested parties.

As a key stakeholder the Trust reports to senior officers at TMBC on a formal recorded basis against the approved Annual Service Delivery Plan and a new, comprehensive Quarterly Update Report was instigated in 2023/24. A monthly strategic meeting is held to discuss financial and operational issues related to the ongoing performance, development and sustainability of the Trust.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Social investments

The Trust is committed to investment in services that offer social return and has a Health & Wellbeing Strategy that aims to deliver the vision of the Trust to make 'more people, more active, more often'. Using tmaactive150 as a customer facing brand the Trust aims to promote 'a national agenda, delivered locally' and the action plan arising out of the strategy is critical to achieving social goals. The global pandemic shone a light upon the importance of physical activity to the nation as a whole and the relevance of a proactive approach to encouraging the local community to be active, especially the currently inactive, has never been more important. Despite the financial challenges of the pandemic, energy pricing and general inflation the Trust has retained dedicated resources to deliver health and wellbeing programmes to the local community. Grant aid from Kent Council County of c£40,000 was received in 2022/23 and commenced delivery of the Reconnect programme aimed at households on lower income returning to physical activity post-pandemic and some of the residual of this funding was used in 2023/24 to help underpin the tmaactive 150 programme.

The focus on business recovery continued through 2023/24 with very limited funds available for capital investment. However, the Board approved a wish list of potential capital investment opportunities for consideration in the new Two Year Strategic Business Plan covering the period 1 April 2023 to 31 March 2025 and financial performance in the year allowed some modest capital expenditure. The discrete Health & Wellbeing budget continued to be utilised to help develop local initiatives and the Trust has established a range of local partners from the community and voluntary sector. Due to financial constraints in 2023/24 the Trust continued to suspend its Charity Funding designed to assist local voluntary and non-profit making organisations to help establish new physical activity programmes although a series of events supported by staff and customers did raise a further £5,000 for the Trust's nominated charity, Spadework.

Fundraising

The Trustees are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in educating residents in the local community. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's stated mission and purpose.
- The charity will comply with GDPR Legislation in relation to all personal data collected.
Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, permanent, casual and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievement and performance

Charitable Activities

The Trust's Head Office has been established at 1-5 Martin Square, Larkfield, ME20 6QL, offices leased by TMBC to the Trust.

The Trust's conducts business and generates income from the following locations:

- Larkfield Leisure Centre
- Angel Centre
- Tonbridge Swimming Pool
- Poult Wood Golf Course
- Leybourne Lakes Country Park
- Kings Hill Sports Park

Five corporate objectives were considered by TMBC upon the formation of an independent Trust;

DELIVERY OF CORPORATE PRIORITIES

FINANCIAL SAVINGS

LONG TERM SUSTAINABILITY

ASSET MAINTENANCE

QUALITY OF SERVICE

In accordance with the Management Agreement a review of the Trust's performance against these objectives was completed in 2017/18 with negotiation leading to the revision of the Service Fee to a zero sum for the second five year tranche of the Management Agreement from 2018 - 2023. During 2022/23 negotiation around the next five year (2023 - 2028) Service Fee commenced. However, issues surrounding the Tonbridge Town Centre Review being conducted by TMBC which will impact on the future of the Angel Centre, and ongoing energy cost support led to negotiations being deferred. It was agreed the long stop arrangements in the Management Agreement would be invoked, resulting in the 'core' Service Fee being extended at zero sum for 2023/24. However, in 2023/24, in line with the new Two Year Business Plan negotiations recommenced for the Service fee to cover the next four year period to 31 March 2028. This resulted in further agreement for the Service Fee, now formally designated the Core Service Fee to remain at zero for the next four years.

During the course of the year a revised Management Agreement was agreed which incorporated all the formal Variations to Contract from the first ten years of the Agreement.

Whilst business recovery proved effectively complete in 2023/24, the approved budget reflected a likely operational deficit of £245,900. This was allowing for a provisional Utilities Service Fee from the Council of £750,000 to support the ongoing exponential increases in energy and despite retention of the £1 'swim surcharge' on every casual swim to help mitigate the cost to TMBC. Softening of utilities tariff 'in year' resulted in an eventual claim under the Utilities Service Fee of £614,000, a reduction of £136,000 against the TMBC budgeted cost.

During 2023/24 the Trust consolidated arrangements at Kings Hill Sports Park and for the first year became responsible for any profit and loss at the contract. An annual Service Fee from the Parish Council of £20,000 was agreed. Successful year end financial performance will strengthen reserves at this contract which are ringfenced away from the contract with TMBC. At Leybourne Lakes 2023/24 saw the first full year of operation of the new facilities at the café and water sports hub with the café performing above income expectation.

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The key priorities identified below within the Two Year Business Plan are used to highlight areas of progress. The Annual Service Delivery Plan was used to drive specific objectives and the Balanced Scorecard was revised and continued to be used to measure identified KPIs and provide a view of the overall health of the business in terms of financial, operational, customer and staff perspectives.

PARTICIPATION - Around 1.35m customer visits were recorded in 2023/24 representing an increase of 13% against the previous year and now exceeding the highest attendance recorded pre-Covid in 2019/20 of 1.23m. The level of recorded visits varied across key activities but health and fitness membership and swim and spa memberships were up 10.2% and 6.2% respectively. Swim School saw retention of the huge surge post pandemic with the Trust teaching around 3,500 children each week compared to 2,400 in 2019/20. Casual swimming also saw an upturn of 2.3% compared to prior year with over 300,000 casual swims recorded. Despite poor weather to start and end the year the number of rounds of golf played at Poult wood remained stable at 47,000.

AWARENESS - The Trust continued to work hard to maintain awareness of the profile of the brand through a presence, largely on social media sites, that sought to maximise programme exposure and membership opportunities. The 'cost of living' crisis saw a focus on member offers and awareness of programmes and activities promoting healthy lifestyles available at low cost. The Trust continued to promote its charitable ethos to customers through the website and social channels to raise awareness of the reinvestment of funds and the non-profit distributing model of operation using marketing material from Community Leisure UK.

HEALTHY LIFESTYLES - The tactive150 health and wellbeing programme diversified further in 2023/24 with a range of classes offered at the Trust's facilities but also in outreach locations including Hadlow, Snodland, RBLI and at the Trust's charitable partner, Spadework's location in Offham. Popular activities included walking football and netball, Here Come The Girls Swimming and Stretch and Move classes. More targeted activity included chair based yoga, falls prevention and low impact exercise. The Trust's referral programme continued to support customers with medical issues to return to a healthier lifestyle. Holiday courses and seasonal events at Easter, summer, Halloween and Christmas were all part of an inventive and healthy programme. There were over 8,800 attendances to the programme in 2023/24. The tactive150 resources and programme remains an integral part of the Trust's offer and will be subject to a review in 2024/25 to enhance the offering.

CUSTOMER SATISFACTION - The primary feedback mechanisms used in 2023/24 were mystery visits undertaken by industry professionals, Pro-Insight and the Net Promoter Score. Each of the four main sites were subject to a mystery visit each quarter and the average score throughout the year was an impressive 82.5%. The visits are utilised to highlight further improvements in customer service. The Net Promoter Score is derived from automated customer surveys asking the likelihood of the customer recommending the facility to friends and family on a scale of 0-10, with only scores of 9 and 10 rated as promoters and scores of 0-6 regarded as detractors. This measure showed the Trust score as 37% against a national average of 28% across the UK. The Trust also started to utilise Google review scores in 2023/24 having seen an upsurge in customers using this social media channel to publicly feedback on their experience. Across all sites the Trust Google Review score averaged 4.3/5.0. The Trust also continued to undertake a range of targeted customer surveys in areas such as Swim School, group exercise and catering to inform future planning and investment. The Trust also introduced a new rigorous CEO standard on a quarterly basis at all sites. These visits provide an internal customer focused lens on the operation and have helped identify opportunities to improve.

SOCIAL INCLUSION - The Trust has continued to deliver concessionary use to Leisure Pass holders. Concessionary prices continue to be extended to people on low income, senior citizens, students, juniors and people living with disabilities. As described above the tactive150 programme continued to promote low cost and some free access to individuals and families least able to afford the facilities.

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CHARITABLE - The Community Fund that normally distributes 2% of profits was not available given the anticipated trading deficit position of the Trust however over £9,000 worth of vouchers were distributed on request to local schools, charities and clubs. The Trust continued to work with the local charity, Spadework in 2023/24 to provide indirect support through sponsored events and other activities. The tmaactive golf day, sponsored events and the Step Up to Spadework initiative with staff and customers raised over £5,000 for the charity.

ENVIRONMENTAL - TMBC has identified the extent of the carbon footprint of the leisure facilities as part of its overall assets and a focus is being placed upon Carbon Descent Plans, especially at the swimming pool sites to help meet TMBC's target of becoming net zero by 2030. Current reductions in electricity usage at Larkfield Leisure Centre following the installation of a new roof and air handling plant are around 2.3% and a further reduction in electricity has been achieved by the installation of PV panels on the Sports Hall roof in March 2023. TMBC has now installed a further PV array on the roof at Tonbridge Swimming Pool in March 2024. Successful bids by TMBC, supported by the Trust, to the Swimming Pool Support Fund Phase 2 and the Public Sector Decarbonisation Scheme will see additional PV panels installed at Larkfield and an air source heat pump to replace the gas boilers serving the fitness pool at Larkfield. The Board approved a new draft Climate Change Strategy 2024-27 for the Trust designed to complement the TMBC Climate Strategy and introducing a greater commitment to staff training and carbon monitoring. Senior managers have all attended accredited Carbon Literacy training.

QUALITY - The Trust's historic commitment to Quest, the national quality scheme for sport and leisure, was put on hold during the pandemic when the Quest scheme was effectively suspended. Changes to the scheme have been implemented post-pandemic and the Trust re-engaged with Quest in 2023/24. The three main indoor leisure sites underwent Quest Assessment and all achieved a rating of Very Good. The scheme now forms part of the Moving Communities platform launched during COVID by Sport England and designed to capture and benchmark participation, financial and qualitative performance within the sector. The Trust remains unable to benefit from the platform in terms of participation data due to technical and IT issues beyond its control despite an upgrade of the Trust's Leisure Management System. However, the platform has assisted in funding bids and the sector wide customer surveys have been a useful benchmark for the Trust. The normal quarterly Health & Safety Committee chaired by the Chief Executive with retained external expert support met regularly in 2023/24 and the Trust has re-committed to the industry accredited LeisureSafe™ standard.

STAFF - For the first time since Covid staff turnover in 2023/24 fell below the expected level of 20% at 18.4% (2023: 29.4%). This implies a return to greater stability in the workforce and less time and resources spent on recruitment, selection and induction of new staff.

However, ongoing pay inflation remains an issue moving into 2024/25 and in March 2024, the Board approved a pay award of 5% for management and supervisory staff and 7% for frontline staff as the National Living Wage again increased by 9.8% on 1 April 2024.

A range of Human Resource policies and procedures were approved by the Board throughout the year and a new staff handbook was completed. All these resources are available to staff through the new UKG App.

KEY PERFORMANCE INDICATORS

The Charitable Company's key performance indicators were:

	2024	2023
Total Income versus Prior Year	£11.1m	£9.7m
Total Expenditure versus Prior Year	£10.5m	£10.0m
Wages as a % of turnover	52.9%	55.8%
Health & Fitness Membership Numbers	5,199	4,718
Swim & Spa Membership Numbers	1,598	1,505
Swim School Membership	3,470	3,444

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievement and performance

Public benefit

The Charitable Company operates leisure centres that are open to the general public in order to deliver its objects for the public benefit.

The Trustees confirm they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trust has been operating for eleven years and can clearly demonstrate success against 'The Hallmarks of an Effective Charity' outlined in the Charity Commission guidance of that name.

Disabled persons

The Charitable Company's policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Financial review

Financial position

The Financial Statements reflect performance in the eleventh year of the Trust and income from general trading, whilst somewhat altered in terms of specific income streams, exceeded pre-pandemic levels. Total income rose to £11.11m compared to forecast of £9.75m and prior year income of £9.70m. The total cost of electricity and gas in 2023/24 fell from £1.77m in 2022/23 to £1.53m due to softening of prices which allowed a reduction in the Utilities Service Fee. By way of comparison energy costs in 2019/20 were £586k. Despite reduced energy costs, overall expenditure was £10.55m compared to budget forecast of £9.9m. The primary reason was staffing, largely in response to the increased levels of income and particularly in swimming lessons and catering.

The Board had approved a budget that saw a likely trading deficit based on the extent of continued recovery and significant inflationary pressures. This could be borne from reserves. Ultimately the year end operating surplus of £559,025 therefore represented a significant outperformance in trading terms as income in key areas such as health and fitness, casual swimming and courses was very strong.

The suspension of the tariff protection clauses has been extended to 2024/25 and a Utilities Service Fee of £410,000 was included in the approved budget to mitigate the anticipated ongoing increased energy costs. The budget forecasts a trading surplus of £139,250, representing 1.4% of turnover which is recognised to be a prudent and sustainable way forward. Renegotiation of the Service Fee for the four year period 2024-2028 has been completed and agreed to continue at a zero sum with the caveat that it will be re-negotiated should the Angel Centre be replaced by new facilities.

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STRATEGIC REPORT

Financial review

Reserves policy

The Trust's Two Year Business Plan was approved as a Schedule to the Management Agreement between TMBC and the Trust and contains an objective to review the Trust's Reserves Policy following Auditors advice and Charity Commission guidance.

Previously the Trust's reserve policy has been to hold a revenue reserve represented by a net current asset position of not less than £500,000. During the year, a revised policy was considered and approved by the Board incorporating four areas of reserves as follows;

Risks - for example the current cost of living and energy cost crises, the potential for competition returning in Tonbridge and the uncertainty surrounding the Angel Centre and current review of car parking charges.

Development Plans - this should consider planned investments and renewals where costs may not be met from a single year's income and reserves may need to be built up.

Operational - this should identify the level of working capital to cover seasonal fluctuations and anticipated strain on cash flow during the financial year.

Contingency - this would identify funds for unexpected events that may not be foreseen such as sudden closure of facilities.

The level of reserves will be reviewed annually and currently the targeted reserve balance is £1.7m.

Total Funds

Total funds held at 31 March 2024 show a surplus balance of £1,740,282 (2023: surplus £1,243,257) of which £64,016 (2023: £9,242) were restricted.

The Charitable Company's unrestricted funds are made up as follows:

General Fund

The Trust has established a General Fund this provides a level of security and sustainability reflective of the overall size of the organisation. Net current assets at 31 March 2024 were £828,179 (2023: £330,906).

Currently the Trust holds £1,529,162 (2023: £1,035,198) of undesignated reserves within the General Fund before accounting for the pension asset/liability which is currently £nil.

The Board has designated funds as detailed below:

IT Replacement Fund

In 2016/17 the Trust reached agreement with TMBC to asset transfer the IT hardware for the rest of the contract period. This decision was approved by the Board and a lump sum of £200,000 was paid to the Trust. New IT hardware has been purchased and the balance is placed in a designated reserve to allow future replacement which currently holds £125,927 (2023: £128,640).

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STRATEGIC REPORT

Financial review

Telephone Replacement Fund

In 2021/22 the Trust reached agreement with TMBC to asset transfer the telephony hardware for the rest of the contract period. The decision was approved by the Board and a lump sum of £35,300 was paid to the Trust. The changing face of telephony services resulted in purchase of hardware and new licencing arrangements and the balance is placed in a designated reserve to allow for future replacement that currently holds £21,177 (2023: £21,177).

FRS 102 Pension Fund

Total unrestricted funds before accounting for the pension position held at the 31 March 2024 were £1,676,266. A pension asset/liability of £nil (2023: surplus £49,000) has been included in the Financial Statements to comply with the provisions of FRS 102. After accounting for the pension position, total funds including restricted funds amount to a surplus balance of £1,740,282 (2023: surplus £1,243,257).

Restricted Fund

Total restricted funds held at the 31 March 2024 were £64,016 (2023: £9,242).

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks.

Risk management

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.

The Board has approved a series of detailed risk statements which form the Trust's Corporate Risk Register. Each of the identified risks is rated based upon likelihood and severity and prioritised as a consequence. Risk Managers are identified. The Register includes corporate risk, business continuity issues and high level operational risks. An individual Trustee was appointed as the Board Risk Champion and helped guide and develop the Register which is reviewed annually or more frequently by exception.

The Corporate Risk Register is arranged under a number of key headings with examples shown below

- Charitable Status - changes to or failure to comply with charitable legislation and objectives
- Company Legislation - changes to or failure to comply with company legislation
- Relationship with Council - failure to secure contract extension past 2033 and/or change in local authority policy
- Health & Safety Legislation - changes in legislation and/or serious breach of legislative requirements
- Data Protection & IT Security - breach of data protection legislation and/or cyber attack
- Environmental Issues / Climate Change - breach or change in legislation and/or long term adverse environmental conditions especially on outdoor facilities
- Business Continuity - loss or failure of key suppliers including IT systems providers and severe recruitment difficulties
- Financial Sustainability - general inflation including utilities costs and/or withdrawal of local authority funding support through changes to the Management Agreement
- Service Disruption - major plant or equipment failure, fire, flood or pandemic

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Charitable Company nor any of its Trustees held any funds as custodian Trustee.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Plans for future periods

The Trust's Two Year Business Plan covering the period from 1 April 2023 to 31 March 2025 has been approved by the Board and TMBC. The plan anticipated progress towards the crucial decision concerning the future of the Angel Centre, finalisation of the Service Fee until 31 March 2028 and the succession plan that sees a new Chief Executive in post.

The latter two issues above have been resolved but progress regarding the Angel Centre remains critical to the future of the Trust. TMBC has taken an 'in principle' decision to demolish the existing centre subject to determining a site for a new facility. The feasibility study to identify a site and the actual content in terms of provision is currently in progress and the Trust has been a key consultee in terms of the business planning element of the study.

The Business Plan also identified further strategic objectives including implementation of the workforce management software, introduction of new HR and Digital strategies and a seamless transition through the approved Succession Plan to the new Chief Executive and restructured Executive Management Team, all of which have progressed.

A further review of capital development options has been presented to the Board and investment is planned in 2024/25 in the health suite at TSP, wet changing rooms at LLC, course improvements at PWG and development of the reception area at LLC which it is hoped will follow the trial at PWG to become a cashless operation.

The Trust continues to be open to the possibility of further collaboration with other Parish Councils and retains an interest in any consideration by TMBC of future opportunities including Haysden Country Park and Tonbridge Castle.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charitable Company, a company limited by guarantee, was established under a Memorandum of Association which formed the objects and powers of the Charitable Company and is governed under its Articles of Association.

Recruitment and appointment of new Trustees

The current Board consists of 11 Trustees of which 8 are Community Trustees. Recruitment of Community Trustees is subject to general advertisement and approval of the Board in accordance with the Articles of Association. Recruitment will highlight relevant skills and experience that are deemed appropriate to complement the existing profile of Trustees. New Community Trustees will be required to live and/or work within the Borough to ensure truly local interest and representation. The appointment of the Staff Trustee will be at the approval of the Board and through a transparent process that allows consideration of any permanently contracted employee of the Trust whether full or part time.

In addition to the 8 Community Trustees and the Staff Trustee, the Leader of Tonbridge & Malling Borough Council nominates two Members to the Board making up the full complement of 11. At 31 March 2024 there was one vacancy on the Board. According to the Articles of Association three Trustees retired by rotation at the Annual General Meeting held in December 2023. All three retirees, Alan Nicholl, Simon White and Pia Philbey were unanimously re-elected. The Chair, Alan Nicholl was re-elected unopposed and Simon White was re-elected unopposed to the role of Vice Chair. Following the year end one Trustee, Sarah King, resigned and two new Trustees, Antony Burdon and Jacqueline Buttery were appointed to return the Board to its full complement.

Organisational structure

Day-to-day management of the Charitable Company is delegated to the Executive Management Team who report to the Board of Trustees.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board Meetings

The Board had 4 scheduled General Meetings in 2023/24. The Annual General Meeting was held in December 2023. The Board received detailed quarterly updates at Board meetings in respect of the financial position, strategic and key operational matters, staff and customer related issues. One EGM was held to approve the audited Financial Statements for the year ended 31 March 2023 together with the Report of the Trustees and a further EGM was held to consider the Service fee offer to TMBC and to brief Trustees on progress surrounding the future of the Angel Centre.

Induction and training of new Trustees

Induction of new Trustees is undertaken using the original Induction Pack prepared by WS Law that outlines the duties and responsibilities of a Director and Trustee. WS Law continue to be retained by the Trust and can deliver the training directly if felt appropriate.

The Chair and the Chief Executive will provide a comprehensive introduction to the facilities, background to the Trust, business, operational and financial plans. In addition, the Chair and the Chief Executive will provide a detailed overview of the suite of documents that form the agreement between the Trust and Tonbridge & Malling Borough Council.

Remuneration of Key Management Personnel

In 2023/24 an approved cost of living award of 5% was made to all key management personnel. The Board approved succession plan resulted in the redundancy of the Head of Operations (South) and the appointment into a new role of a Deputy Chief Executive intended to succeed the current Chief Executive on his planned retirement on 31 August 2024. The approved interim structure also saw the redesignation and regrading of the Head of Operations (North) and the Head of Finance to the posts of Chief Operating Officer and Chief Financial Officer respectively.

The Board considers the recommendation of the Chief Executive annually in the context of the overall draft budget. Factors taken into account include national pay inflation figures, affordability, local competitors in relevant areas of the business and the Community Leisure UK Annual HR report which benchmarks rates of pay across all roles within the sector nationally and by region and in this instance the restructuring of the Executive Management Team.

Engagement with employees

Staff notice Boards displaying urgent matters and points of interest along with insurance certificates for public and employee liability are maintained in each of the staff rooms across all sites. Information Boards containing operating performance metrics are in the process of being developed and rolled out to the majority of sites.

The implementation of the UKG workforce management system has allowed for greater engagement. All policies are available on the platform along with the staff handbook. The system also allows staff to request shift changes and annual leave as well as providing the platform for automated timesheets and clocking in.

Biennial Line Manager meetings are held, everyone in a supervisory role is asked to attend along with the CEO, DCE and COO. Financial and operating performance are relayed with the intention of this being passed on to all employees. There is opportunity for the discussion of key issues with senior management requesting suggestions and questions.

The Trustees receive staff related information at each Board Meeting and are responsible for approving pay reviews, any potential restructures, and all HR policy documents. There is a staff Trustee elected by their colleagues, who is equal in status to the other Board Members.

A number of the current Trustees are regular users of the Trust's facilities and thereby have informal direct access to staff members outside of senior management.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08447331 (England and Wales)

Registered Charity number
1154831

Registered office
1-5 Martin Square
Larkfield
AYLESFORD
Kent
ME20 6QL

Trustees
A Nicholl
S King (resigned 20 April 2024)
M Davis
K Bennett
D Scott
T Bishop
S White
P Philbey
S Ratnam
K Tunstall (appointed 11 September 2023)
A Burdon (appointed 3 June 2024)
J Buttery (appointed 3 June 2024)

Company Secretary
D Sayle

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

Solicitors
Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS - continued

Bankers

National Westminster Bank Plc
Chatham Customer Service Centre
Western Avenue
Waterside Court
Chatham Maritime
Chatham
Kent
ME4 4RT

Company trading name

tmactive

Executive management team

Members of the team for the whole financial period were:

M Guyton Chief Executive
D Sayle Chief Financial Officer
K Brimsted Chief Operating Officer
W Parker Head of Sales and Marketing
I Mansfield Head of Facilities and Compliance
C Bushell Human Resources Manager
E Alexander Catering Manager

Members of the team for part of the financial year were:

E Wood Deputy Chief Executive - appointed 19 June 2023
G Littlejohn Head of Operations - left 30 June 2023

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Tonbridge and Malling Leisure Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

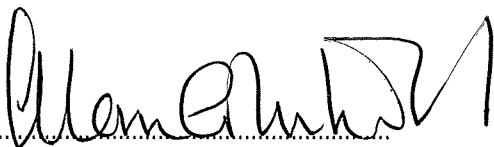
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 2 September 2024 and signed on the Board's behalf by:



Alan Charles Nicholl - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Opinion

We have audited the financial statements of Tonbridge and Malling Leisure Trust (the 'Charitable Company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2024 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Our responsibilities for the audit of the financial statements

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

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

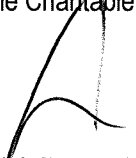
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 2 September 2024

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	3					
Operation of leisure/golf centres/country park		10,997,578	-	58,455	11,056,033	9,690,229
Investment income	2	50,657	-	-	50,657	9,785
Total		<u>11,048,235</u>	<u>-</u>	<u>58,455</u>	<u>11,106,690</u>	<u>9,700,014</u>
EXPENDITURE ON						
Charitable activities	4					
Operation of leisure/golf centres/country park		10,556,384	(13,000)	4,281	10,547,665	10,012,195
Total		<u>10,556,384</u>	<u>(13,000)</u>	<u>4,281</u>	<u>10,547,665</u>	<u>10,012,195</u>
NET INCOME/(EXPENDITURE)		491,851	13,000	54,174	559,025	(312,181)
Transfers between funds	16	(600)	-	600	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	(62,000)	-	(62,000)	1,761,000
Net movement in funds		491,251	(49,000)	54,774	497,025	1,448,819
RECONCILIATION OF FUNDS						
Total funds brought forward		1,185,015	49,000	9,242	1,243,257	(205,562)
TOTAL FUNDS CARRIED FORWARD		<u>1,676,266</u>	<u>-</u>	<u>64,016</u>	<u>1,740,282</u>	<u>1,243,257</u>

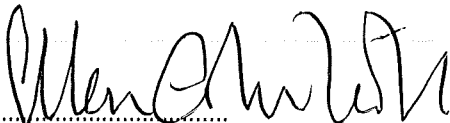
The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST (REGISTERED NUMBER: 08447331)
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 MARCH 2024

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS						
Tangible assets	10	855,509	-	56,594	912,103	863,351
CURRENT ASSETS						
Stocks	11	116,190	-	-	116,190	98,238
Debtors	12	403,459	-	-	403,459	271,274
Investments	13	962,442	-	-	962,442	252,783
Cash at bank and in hand		<u>849,804</u>	<u>-</u>	<u>7,422</u>	<u>857,226</u>	<u>1,061,936</u>
		2,331,895	-	7,422	2,339,317	1,684,231
CREDITORS						
Amounts falling due within one year	14	<u>(1,511,138)</u>	<u>-</u>	<u>-</u>	<u>(1,511,138)</u>	<u>(1,353,325)</u>
NET CURRENT ASSETS		<u>820,757</u>	<u>-</u>	<u>7,422</u>	<u>828,179</u>	<u>330,906</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,676,266	-	64,016	1,740,282	1,194,257
PENSION ASSET	17	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
NET ASSETS		<u><u>1,676,266</u></u>	<u><u>-</u></u>	<u><u>64,016</u></u>	<u><u>1,740,282</u></u>	<u><u>1,243,257</u></u>
FUNDS	16					
Unrestricted funds					1,676,266	1,234,015
Restricted funds					<u>64,016</u>	<u>9,242</u>
TOTAL FUNDS					<u><u>1,740,282</u></u>	<u><u>1,243,257</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 September 2024 and were signed on its behalf by:


 Alan Charles Nicholl - Trustee

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	<u>609,469</u>	<u>132,714</u>
Net cash provided by operating activities		<u>609,469</u>	<u>132,714</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(155,177)	(72,999)
Deposit account investment movement		(709,659)	(250,204)
Interest received		<u>50,657</u>	<u>9,785</u>
Net cash used in investing activities		<u>(814,179)</u>	<u>(313,418)</u>
 Change in cash and cash equivalents in the reporting period		 (204,710)	 (180,704)
Cash and cash equivalents at the beginning of the reporting period		<u>1,061,936</u>	<u>1,242,640</u>
 Cash and cash equivalents at the end of the reporting period		 <u>857,226</u>	 <u>1,061,936</u>

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

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

	31.3.24 £	31.3.23 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	559,025	(312,181)
Adjustments for:		
Depreciation charges	106,425	105,149
Interest received	(50,657)	(9,785)
Increase in stocks	(17,952)	(17,481)
(Increase)/decrease in debtors	(132,185)	133,815
Increase in creditors	157,813	98,197
Difference between pension charge and cash contributions	(13,000)	135,000
Net cash provided by operations	<u>609,469</u>	<u>132,714</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	<u>1,061,936</u>	<u>(204,710)</u>	<u>857,226</u>
	<u>1,061,936</u>	<u>(204,710)</u>	<u>857,226</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>252,783</u>	<u>709,659</u>	<u>962,442</u>
	<u>252,783</u>	<u>709,659</u>	<u>962,442</u>
Total	<u>1,314,719</u>	<u>504,949</u>	<u>1,819,668</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Tonbridge and Malling Leisure Trust is a private company limited by guarantee, registered in England and Wales. The company is also a Charity registered in England and Wales. The company number, charity number and registered office can be found on the company information page. The presentation currency is GBP and numbers are not rounded within the financial statements.

Basis of preparing the financial statements

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider the key sources of estimation uncertainty; depreciation and amortisation charges for assets included in the Statement of Financial Position based on the estimated useful economic life of the assets and deferred and accrued income is recorded over the period for which the memberships relate.

In addition to the above, the present value of the Local Government Pension Scheme defined benefit asset / 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 (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. Furthermore, a roll forward approach which projects results from the latest full triennial actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension position at 31 March 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset / liability.

Going concern

The series of national and international events that triggered lockdown, an exponential increase in energy prices and significant rises in the rate of inflation appear to have abated, at least for the time being. Membership levels and attendance at the Trust's facilities is now higher than pre-pandemic levels, utility prices, although still significantly higher than they were prior to the Ukraine war, have softened considerably and the UK's inflation rate has reduced and stabilised.

Although future geopolitical events could give rise to similar economic circumstances, consideration has been given to the risks facing the Trust and the mitigations available and it is deemed that through a combination of factors detailed below that the Charitable Company is in a strong position to cope with any resultant adverse impacts, should they arise.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Going concern

- The Trust's recent trading performance has created a strong reserve position in terms of liquid funds in the form of current accounts and fixed term, interest bearing deposits.
- Forecast performance by way of detailed budgeting for the year ended 31 March 2025 and cashflow forecasting for a further year suggests that the Trust's financial position will continue to remain strong.
- A utility tariff protection agreement with TMBC, by which the Charitable Company is protected against increases above inflation in the price of gas and electricity remains in place.
- In respect of the tariff protection agreement, the Charitable Company have successfully negotiated an amendment by which a service fee arrangement provides for quarterly interim payments made to the Charitable Company by TMBC in order to protect cash flow throughout the year.
- The Executive Management Team continue to work with TMBC via regular strategic level meetings on a financially transparent basis to ensure the sustainable future of the Charitable Company.
- Arrangements have been made for investment by TMBC in energy savings schemes at operational sites, some of which are already in place with others planned for future implementation. This is with the view of reducing energy costs but is in line with the Council's stated policy target of becoming net zero by 2030.
- It is considered that the demography of the Charitable Company's customer base will continue to protect the Trust should any deterioration in the cost of living arise. However, the Board will continue to monitor the position and support targeted offers with the aim of minimising any reduction in customer levels.

As a result of the strong reserves position and the mitigating actions detailed above the Board believes that no material uncertainty exists and that the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future and it has therefore prepared the financial statements on a going concern basis.

Income

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

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Expenditure

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

Redundancy / termination payments

Redundancy costs are recognised in the statement of financial activities in the financial period the entity is demonstrably committed to terminate employment or make payment due to an offer made to encourage redundancy.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites. Charitable activities are split into leisure activities, which are those costs incurred directly in the running of each of the sites, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company. Governance costs are those incurred in the governance of the Charitable Company and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

Fixed assets costing in excess of £2,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line over 5 to 10 years

Plant and machinery - straight line between 3 to 10 years

Improvements to leasehold property – straight line over remaining term of lease (31/10/2033)

Current asset investments

Funds held within deposit accounts with an original maturity date of over three months are classified under current asset investments.

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.

Taxation

The Charitable Company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the Charitable Company without further specified purpose and are available as general funds or designated funds, which are set aside by the Trustees for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

Pensions

The Charitable Company operates a pension scheme through Kent County Council providing benefits based previously on final pensionable pay but amended from 1 April 2014 to career average revalued earnings (CARE). The assets of the scheme are held separately in an independently administered fund. Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the Charitable Company in respect of all transferring staff. Employees who joined the Charitable Company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the Charitable Company is liable for. Accordingly, the financial statements for the year ended 31 March 2024 show a pension asset/liability of £nil (2023 asset: £49,000) as calculated by the scheme actuary.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Pensions - continued

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust 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 introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the 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. Actuarial remeasurement gains and losses are recognised immediately in other recognised gains and losses.

In addition, the Charitable Company operates a defined contributions pension scheme for new staff, the cost of which is charged to the Statement of Financial Activities as incurred.

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Financial instruments

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, 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 offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed, to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Inventories are also assessed for impairment at each reporting date. Each item of inventory is compared to the last sold date and an impairment loss recognised on a percentage basis in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit and loss.

Service concessions arrangements

The Charitable Company has a Service Contract with Tonbridge & Malling Borough Council for the operation of leisure centres, golf courses, and a country park owned by the Council to which it has lease and management service contracts. Tonbridge & Malling Borough Council has rights under the contracts to specify the activities offered by the centres and the minimum standards for the services to be provided.

Property, plant and equipment

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with Tonbridge & Malling Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres, golf courses and country park, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charitable Company's Balance Sheet. Improvements to property funded by the Trust are shown in the balance sheet as fixed assets and are depreciated over the term of the lease.

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FOR THE YEAR ENDED 31 MARCH 2024

2. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Deposit account interest	<u>50,657</u>	<u>9,785</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.24	31.3.23
		£	£
Leisure centre income	Operation of leisure/golf centres/country park	10,996,670	9,682,283
Insurance claim	Operation of leisure/golf centres/country park	908	-
Grants	Operation of leisure/golf centres/country park	<u>58,455</u>	<u>7,946</u>
		<u>11,056,033</u>	<u>9,690,229</u>

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
KCC Reconnect grant	-	7,946
KSP Leasehold Grant	<u>58,455</u>	<u>-</u>
	<u>58,455</u>	<u>7,946</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Operation of leisure/golf centres/country park	<u>9,446,955</u>	<u>1,100,710</u>	<u>10,547,665</u>

5. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of leisure/golf centres/country park	<u>1,074,788</u>	<u>25,922</u>	<u>1,100,710</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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6. NET INCOME/(EXPENDITURE)

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

	31.3.24	31.3.23
	£	£
Audit Fee	12,400	11,241
Other non-audit services	2,430	1,775
Depreciation - owned assets	<u>106,425</u>	<u>105,149</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Charitable Company in respect of their role as Trustees. The value of the Trustees' remuneration during the period was as follows:

K Bennett (Staff Trustee) £21,617 (2023: £18,451), pension contributions £5,140 (2023: £3,369).

Trustees' expenses

During the period, reimbursed expenses amounting to £nil (2023: £nil) were paid to Trustees.

8. STAFF COSTS

	31.3.24	31.3.23
	£	£
Wages and salaries	5,193,918	4,711,550
Social security costs	353,858	318,190
Defined benefit pension costs	184,854	298,238
Defined contribution pension costs	105,592	84,506
Severance payments	<u>32,526</u>	<u>-</u>
	<u>5,870,748</u>	<u>5,412,484</u>

During the period, the Charitable Company entered into a settlement agreement with one member of staff which gave rise to a severance payment of £32,526 (2023: £nil).

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

	31.3.24	31.3.23
Senior management	8	9
Leisure activities	402	375
Support	<u>12</u>	<u>11</u>
	<u>422</u>	<u>395</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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8. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.24	31.3.23
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>4</u>	<u>3</u>

The total amount of employee benefits received by key management personnel (KMP) is £747,316 (2023: £688,783). Those considered to be KMP are listed on page 15 of the Trustees report.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS102 Pension £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Operation of leisure/golf centres/country park	9,682,283	-	7,946	9,690,229
Investment income	<u>9,785</u>	<u>-</u>	<u>-</u>	<u>9,785</u>
Total	<u>9,692,068</u>	<u>-</u>	<u>7,946</u>	<u>9,700,014</u>
EXPENDITURE ON				
Charitable activities				
Operation of leisure/golf centres/country park	<u>9,846,707</u>	<u>135,000</u>	<u>30,488</u>	<u>10,012,195</u>
NET INCOME/(EXPENDITURE)	(154,639)	(135,000)	(22,542)	(312,181)
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	<u>-</u>	<u>1,761,000</u>	<u>-</u>	<u>1,761,000</u>
Net movement in funds	(154,639)	1,626,000	(22,542)	1,448,819
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>1,339,654</u>	<u>(1,577,000)</u>	<u>31,784</u>	<u>(205,562)</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,185,015</u>	<u>49,000</u>	<u>9,242</u>	<u>1,243,257</u>

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10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Office equipment £	Totals £
COST				
At 1 April 2023	1,068,997	295,113	72,699	1,436,809
Additions	74,359	71,099	9,719	155,177
Disposals	-	-	(2,100)	(2,100)
At 31 March 2024	<u>1,143,356</u>	<u>366,212</u>	<u>80,318</u>	<u>1,589,886</u>
DEPRECIATION				
At 1 April 2023	337,980	175,073	60,405	573,458
Charge for year	76,301	25,916	4,208	106,425
Eliminated on disposal	-	-	(2,100)	(2,100)
At 31 March 2024	<u>414,281</u>	<u>200,989</u>	<u>62,513</u>	<u>677,783</u>
NET BOOK VALUE				
At 31 March 2024	<u>729,075</u>	<u>165,223</u>	<u>17,805</u>	<u>912,103</u>
At 31 March 2023	<u>731,017</u>	<u>120,040</u>	<u>12,294</u>	<u>863,351</u>

11. STOCKS

	31.3.24 £	31.3.23 £
Stocks	<u>116,190</u>	<u>98,238</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade debtors	231,962	68,370
Other debtors	709	4,725
Prepayments and accrued income	<u>170,788</u>	<u>198,179</u>
	<u>403,459</u>	<u>271,274</u>

13. CURRENT ASSET INVESTMENTS

	31.3.24	31.3.23
	£	£
Deposit Accounts	<u>962,442</u>	<u>252,783</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	309,690	159,211
Social security and other taxes	107,561	78,874
VAT	56,056	131,622
Other creditors	79,254	59,875
Deferred income	620,871	512,704
Accrued expenses	<u>337,706</u>	<u>411,039</u>
	<u>1,511,138</u>	<u>1,353,325</u>

15. LEASING AGREEMENTS

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

	31.3.24	31.3.23
	£	£
Within one year	56,986	54,986
Between one and five years	<u>15,860</u>	<u>31,375</u>
	<u>72,846</u>	<u>86,361</u>

The Charitable Company holds a lease of £37,000 per annum for office rental which ends 31 March 2028, however this lease can be cancelled with 12 months notice.

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16. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	1,035,198	494,564	(600)	1,529,162
IT Replacement Fund	128,640	(2,713)	-	125,927
FRS102 Pension	49,000	(49,000)	-	-
Telephone replacement	<u>21,177</u>	<u>-</u>	<u>-</u>	<u>21,177</u>
	1,234,015	442,851	(600)	1,676,266
Restricted funds				
KCC Reconnect	9,242	(1,820)	-	7,422
KSP Leasehold Grant	<u>-</u>	<u>55,994</u>	<u>600</u>	<u>56,594</u>
	<u>9,242</u>	<u>54,174</u>	<u>600</u>	<u>64,016</u>
TOTAL FUNDS	<u>1,243,257</u>	<u>497,025</u>	<u>-</u>	<u>1,740,282</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,048,235	(10,553,671)	-	494,564
IT Replacement Fund	-	(2,713)	-	(2,713)
FRS102 Pension	<u>-</u>	<u>13,000</u>	<u>(62,000)</u>	<u>(49,000)</u>
	11,048,235	(10,543,384)	(62,000)	442,851
Restricted funds				
KCC Reconnect	-	(1,820)	-	(1,820)
KSP Leasehold Grant	<u>58,455</u>	<u>(2,461)</u>	<u>-</u>	<u>55,994</u>
	<u>58,455</u>	<u>(4,281)</u>	<u>-</u>	<u>54,174</u>
TOTAL FUNDS	<u>11,106,690</u>	<u>(10,547,665)</u>	<u>(62,000)</u>	<u>497,025</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	1,155,151	(119,953)	1,035,198
IT Replacement Fund	149,203	(20,563)	128,640
FRS102 Pension	(1,577,000)	1,626,000	49,000
Telephone replacement	35,300	(14,123)	21,177
	(237,346)	1,471,361	1,234,015
Restricted funds			
KCC Reconnect	31,784	(22,542)	9,242
TOTAL FUNDS	<u>(205,562)</u>	<u>1,448,819</u>	<u>1,243,257</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,692,068	(9,812,021)	-	(119,953)
IT Replacement Fund	-	(20,563)	-	(20,563)
FRS102 Pension	-	(135,000)	1,761,000	1,626,000
Telephone replacement	-	(14,123)	-	(14,123)
	9,692,068	(9,981,707)	1,761,000	1,471,361
Restricted funds				
KCC Reconnect	7,946	(30,488)	-	(22,542)
TOTAL FUNDS	<u>9,700,014</u>	<u>(10,012,195)</u>	<u>1,761,000</u>	<u>1,448,819</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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16. MOVEMENT IN FUNDS - continued

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

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	1,155,151	374,611	(600)	1,529,162
IT Replacement Fund	149,203	(23,276)	-	125,927
FRS102 Pension	(1,577,000)	1,577,000	-	-
Telephone replacement	35,300	(14,123)	-	21,177
	(237,346)	1,914,212	(600)	1,676,266
Restricted funds				
KCC Reconnect	31,784	(24,362)	-	7,422
KSP Leasehold Grant	-	55,994	600	56,594
	31,784	31,632	600	64,016
TOTAL FUNDS	<u>(205,562)</u>	<u>1,945,844</u>	<u>-</u>	<u>1,740,282</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	20,740,303	(20,365,692)	-	374,611
IT Replacement Fund	-	(23,276)	-	(23,276)
FRS102 Pension	-	(122,000)	1,699,000	1,577,000
Telephone replacement	-	(14,123)	-	(14,123)
	20,740,303	(20,525,091)	1,699,000	1,914,212
Restricted funds				
KCC Reconnect	7,946	(32,308)	-	(24,362)
KSP Leasehold Grant	58,455	(2,461)	-	55,994
	66,401	(34,769)	-	31,632
TOTAL FUNDS	<u>20,806,704</u>	<u>(20,559,860)</u>	<u>1,699,000</u>	<u>1,945,844</u>

IT Replacement Fund

During the year 31 March 2017 an amount of £200,000 was received from TMBC in respect of the replacement costs of IT equipment. Unspent funds at 31 March 2024 were £125,927 (2023: £128,640).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

16. MOVEMENT IN FUNDS - continued

Telephone System Replacement Fund

During the year 31 March 2022 an amount of £35,300 was received from TMBC in respect of the replacement costs of the telephone system. Unspent funds at 31 March 2024 were £21,177 (2023: £21,177).

KCC Reconnect Fund

During the year 31 March 2022 an amount of £31,784 was received from KCC to deliver a programme of activities for children and young people through to August 2022. The aim of the grant is to help reconnect children and young people with activities they missed during the COVID-19 pandemic. During the year 31 March 2023 an additional amount of £7,946 was received upon final receipt of the monitoring data. Unspent funds at 31 March 2024 were £7,422 (2023: £9,242). The balance at 31 March 2024 was repaid to KCC in August 2024.

KSP Leasehold Grant

During the year 31 March 2024 an amount of £58,455 was received from FCC Community Foundation in respect of the provision of floodlights at tennis courts. This amount was spent in the year via capital expenditure, the funds balance at 31 March 2024 of £55,994 (2023: £nil) represents the net book value of the assets.

Transfers between funds

During the year, a transfer took place of £600 from the unrestricted general fund to the KSP Leasehold Grant Fund. This transfer covered the shortfall in grant income compared to the capital spend on the tennis court project during the year.

17. EMPLOYEE BENEFIT OBLIGATIONS

The Charitable Company operates a defined benefit pension scheme for some employees administered by Kent County Council, the administering authority to the Kent County Council Pension Fund. The Charitable Company has admitted body status to the Kent County Council Pension Fund. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived using approximate methods projecting results from the latest full triennial actuarial valuation performed at 31 March 2022 to value the pension position at 31 March 2024.

Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the Charitable Company in respect of pension contributions of all transferring staff. Employees who joined the Charitable Company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the Charitable Company is liable for. Accordingly, the financial statements for the year ended 31 March 2024 show a pension asset/liability of £nil (2023: £49,000 asset).

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Present value of funded obligations	(1,549,000)	(1,527,000)
Fair value of plan assets	<u>1,674,000</u>	<u>1,576,000</u>
	125,000	49,000
Present value of unfunded obligations	-	-
Impact of asset ceiling	<u>(125,000)</u>	<u>-</u>
Surplus	<u>-</u>	<u>49,000</u>
Net asset	<u>-</u>	<u>49,000</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Current service cost	48,000	164,000
Net interest from net defined benefit asset/liability	(4,000)	39,000
Past service cost	-	-
Administrative expenses	<u>1,000</u>	<u>1,000</u>
	<u>45,000</u>	<u>204,000</u>
Actual return on plan assets	<u>77,000</u>	<u>(2,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Opening defined benefit obligation	1,527,000	3,083,000
Current service cost	48,000	164,000
Contributions by scheme participants	22,000	24,000
Interest cost	73,000	79,000
Estimated benefits paid net of transfers in	(40,000)	-
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(17,000)	(65,000)
Actuarial (gains)/losses from changes in financial assumptions	(69,000)	(1,837,000)
Oblig other remeasurement	5,000	79,000
	<u>1,549,000</u>	<u>1,527,000</u>

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

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Opening fair value of scheme assets	1,576,000	1,506,000
Administration expenses	(1,000)	(1,000)
Contributions by employer	58,000	69,000
Contributions by scheme participants	22,000	24,000
Interest on assets	77,000	40,000
Actuarial gains/(losses)	-	(42,000)
Estimated benefits paid plus unfunded net of transfers in	(40,000)	-
Return on plan assets (excluding interest income)	(18,000)	(20,000)
	<u>1,674,000</u>	<u>1,576,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	17,000	65,000
Actuarial (gains)/losses from changes in financial assumptions	69,000	1,837,000
Oblig other remeasurement	(5,000)	(79,000)
Return on plan assets (excluding interest income)	(18,000)	(20,000)
Other actuarial gains/(losses)	-	(42,000)
Impact of asset ceiling	(125,000)	-
	<u>(62,000)</u>	<u>1,761,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.24	31.3.23
Equities	58%	64%
Gilts	7%	1%
Other Bonds	14%	13%
Infrastructure	5%	3%
Property	9%	10%
Cash	2%	2%
Absolute Return Fund	5%	7%
	<u>100%</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,506,000	1,549,000	1,594,000
Projected service cost	42,000	44,000	46,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	1,551,000	1,549,000	1,547,000
Projected service service cost	44,000	44,000	44,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	1,593,000	1,549,000	1,507,000
Projected service cost	46,000	44,000	42,000
Adjusted to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	1,591,000	1,549,000	1,508,000
Projected service cost	46,000	44,000	42,000

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.24	31.3.23
Discount rate	4.95%	4.80%
Future salary increases	3.90%	3.90%
Future pension increases	2.90%	2.90%

Pension supporting information

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet - both in respect of any outstanding employer contributions and any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc.) but crucially differ in one key respect - that of the discount factor used to arrive at net present value of any surplus or deficit. Whereas the Ongoing Basis uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. The volatility of the discount rate assumption can lead to higher liabilities being shown than if the liabilities were calculated by the Ongoing Basis.

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LPGS, the last triennial actuarial valuation was carried out in 2022 and new rates set for 3 years from April 2023. The employer contribution rates have been set at 18.6% for the next 3 years.

18. CAPITAL COMMITMENTS

	31.3.24	31.3.23
	£	£
Contracted but not provided for in the financial statements	<u>32,295</u>	<u>-</u>

As at 31 March 2024, the Charitable Company had contracted to purchase plant and machinery amounting to £32,295 (2023: £nil).

19. RELATED PARTY DISCLOSURES

During the year there were the following transactions with related parties:

The Trust made sales of £5,378 (2023: £4,634) to Tonbridge Juddians Rugby Football Club, where M Davis, a Trustee, is vice-president. There were no amounts due to the Trust at 31 March 2024 (2023: £nil).

The Trust made purchases of £8,728 (2023: £10,872) from CP Digital for social media services. The spouse of W Parker, a member of Key Management Personnel, is a director of CP Digital. There was a balance of £1,296 owed by the Trust at 31 March 2024 (2023: £864).

The spouse of D Sayle, a member of Key Management Personnel, was employed by the Trust on a temporary basis in the prior year and was paid £nil (2023: £897). The employment ceased in the prior year and no payments were made during this financial year.

The spouse of I Mansfield, a member of Key Management Personnel, was employed by the Trust during the financial year and was paid £25,024.

20. LEGAL STATUS

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.

TONBRIDGE AND MALLING LEISURE TRUST

England & Wales - Charity number 1154831

Accounts

REGISTERED COMPANY NUMBER: 08447331 (England and Wales)
REGISTERED CHARITY NUMBER: 1154831

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

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

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TONBRIDGE AND MALLING LEISURE TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charitable Company are:

- to provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or for the public at large with the object of improving their conditions of life, and /or;
- to promote community participation in healthy recreation activities;
- to provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities;
- to develop the capacity and skills for those members of the community who are socially and/or economically disadvantaged in such a way as to enable them to identify, and help meet, their needs and to participate more fully in society;
- to pursue such other charitable purposes consistent with the above as the Trustees in their absolute discretion shall determine.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees confirm they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trust has been operating for ten years and can clearly demonstrate success against 'The Hallmarks of an Effective Charity' outlined in the Charity Commission guidance of that name.

- Clear about its purpose and direction:

The Trust has established a Vision, Mission Statement and Values outlined in the second 5 Year Business Plan. Taking the national agenda of ukactive, the representative UK body and delivering that agenda locally the Trust's Vision of 'more people, more active, more often' mirrors the objects and powers of the Trust and the growing public recognition of the benefits of a healthy lifestyle.

The Mission Statement develops the manner in which the Vision will be delivered declaring 'Our mission is to provide a clean, safe and happy leisure experience on an inclusive basis to residents and visitors to the Borough of Tonbridge and Malling for the benefit of their health and social wellbeing. We will achieve this in a sustainable way through excellence in our people, policies and practice.'

The Vision and Mission Statement is underpinned by nine core values as follows;

- Leadership
- Integrity
- Innovation
- Continuous Improvement
- Accessibility
- Customer Focus
- Teamwork
- Professionalism
- Environmental awareness

The values are further defined in the second 5 Year Business Plan and endorsed by the Board of Trustees.

- A strong Board:

Selection and recruitment of the Trust Board is planned and executed with a clear vision to provide a range of interested, articulate and passionate volunteers who bring a range of professional disciplines and experience to the boardroom. The Board currently comprises 7 Community Trustees with a blend of professional experience including financial, IT, policy development, economic development, management consultancy and business entrepreneurship. This is complemented by the appointment of two TMBC Members and a Staff representative.

During the course of the past twelve months Board meetings moved entirely back to in person meetings. The Board has continued to promote the aims and objectives of the Trust and provided strong, challenging support to the Executive Management Team. All of the Trustees are residents of the Borough with the exception of the Staff Trustee.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Critical issues throughout the year related to ongoing business recovery following COVID-19 and the ensuing energy cost crisis, which have been at the forefront of Board matters. These and a number of other strategic issues have been debated at Board level with clear evidence of the benefit of the experience and empathy of the Trustees. Consensus on key issues has been reached with unanimity and where occasion has demanded the Board has delegated authority to act in the Chair and Chief Executive as appropriate.

- Financially sound and prudent:

Sustainability is a key Business Plan objective of the Trust. This was recognised by TMBC in its key priorities at the point of transfer of the leisure facilities to the Trust. The 20 year Management Agreement was supported by an initial 5 year funding agreement by TMBC. The stated objective within the initial Business Plan was to achieve a revenue reserve of £500,000 as soon as possible and this was achieved in 2016.

The Trust's reserves were severely depleted during the period of the global pandemic and successive enforced lockdowns. However, the prudent approach to the Trust's financial position throughout the life of the Trust and a strong and supportive relationship with TMBC allowed ongoing negotiations that ensured the steady rebuilding of the Trust's financial position as the business recovered during the previous financial year. The emerging threat in 2022/23 of global energy pricing became the focus of maintaining financial sustainability and the tariff protection clauses within the Management Agreement allowed negotiation with TMBC for support in the form of a Service Fee of £700,000 to offset the additional costs. The Trust introduced a number of measures to mitigate the overall financial impact.

The objective within the 5 year Business Plan to hold a revenue reserve represented by a net current asset position of not less than £500,000 remained the goal although it was agreed that the new business plan would include a review of reserves policy to incorporate a more dynamic and flexible approach.

-Fit for purpose:

The Executive Management Team (EMT) led by the Chief Executive now comprises the Deputy Chief Executive, the Chief Financial Officer, the Chief Operating Officer, Head of Facilities and Compliance, Head of Sales and Marketing, Human Resources Manager and the Catering Manager. The new structure is a precursor to completing the approved Succession Plan and restructure when the current Chief Executive departs in 2024. The EMT provides a stable management approach consistent with the initial strategic and operational aims outlined in agreement with TMBC as part of the process of transfer to the Trust.

Operation of the Trust is assured through an existing but evolving suite of policies and procedures contained in an Integrated Management System. Roles and responsibilities in terms of governance and executive management are based upon guidance from the Association of Chief Executives of Voluntary Organisations (ACEVO). Key policies affecting health and safety and employment issues are also subject to Board approval.

Overall achievement of the objectives of the Trust is managed through an approved 5 Year Business Plan which was extended for one year in agreement with TMBC and an Annual Service Delivery Plan that is reviewed on a quarterly basis and reported to TMBC.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

- Learning and improving:

The Trust is committed to understanding the sector in which it operates and contributing on a local level to a national agenda. As a consequence the Trust is an active member of Community Leisure UK (CLUK) the principal trade organisation for the sector with general and regional meetings. The Chief Executive is the current South East Regional Director on the CLUK Board, further cementing the relationship of the Trust with the entire sector. In addition the Executive Management Team is engaged with CIMSPA, the Chartered Institute representing the leisure industry. All frontline staff are now encouraged to become CIMSPA members with identified and recorded Continuing Professional Development training required through the Institute, for staff to develop in the role. This accords with the aim of 'professionalising' the sector.

The Trust is committed to sector wide engagement in the delivery of its objectives and will return in 2023/24 to utilise Quest, the national quality scheme for sport and leisure to ensure industry best practice. During the pandemic the Trust has reported financial and usage information to the Moving Communities platform, established initially to validate Government expenditure through the National Leisure Relief Fund but now utilised to provide wider industry benchmarking and insight. The Trust also recognises the national and local importance of the new platform to support future sector funding.

The Trust has a training plan to ensure the continuing professional development of staff at all levels of the service. A move to new workforce management software, initiated in 2022/23 and due for complete implementation in 2023/24 will allow greater control and reporting of statutory, core and development training at all levels.

- Accountable and transparent

The work of the Trust sits entirely in the public domain and the Trust returned in 2022/23 to use of its Customer Charter, panels, surveys and feedback mechanisms to engage transparently with all interested parties.

As a key stakeholder the Trust reports to senior officers at TMBC on a formal recorded basis against the approved Annual Service Delivery Plan. A monthly strategic meeting is held to discuss financial and operational issues related to the ongoing development and sustainability of the Trust.

Disabled persons

The Charitable Company's policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Social investments

The Trust is committed to investment in services that offer social return and has a Health & Wellbeing Strategy that aims to deliver the vision of the Trust to make 'more people, more active, more often'. Using tmaactive as a customer facing brand the Trust aims to promote 'a national agenda, delivered locally' and the action plan arising out of the strategy is critical to achieving social goals. The global pandemic shone a light upon the importance of physical activity to the nation as a whole and the relevance of a proactive approach to encouraging the local community to be active, especially the currently inactive, has never been more important. Despite the financial challenges of the pandemic, energy pricing and general inflation the Trust has retained dedicated resources to deliver health and wellbeing programmes to the local community. Grant aid from Kent Council County of c£40,000 in 2022/23 allowed delivery of the Reconnect programme aimed at households on lower income returning to physical activity post-pandemic.

The focus on business recovery continued through 2022/23 with very limited funds available for capital investment. However, the Board approved a wish list of potential capital investment opportunities for consideration in the new Two Year Strategic Business Plan covering the period 1 April 2023 to 31 March 2025. The discrete Health & Wellbeing budget will continue to be utilised to help develop local initiatives and the Trust has established a range of local partners from the community and voluntary sector. Again, due to financial constraints in 2022/23 the Trust continued to suspend its Charity Funding designed to assist local voluntary and non-profit making organisations to help establish new physical activity programmes although a series of events supported by staff and customers did raise around £5,000 for the Trust's nominated charity, Spadework.

Fundraising

The Trustees are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in educating residents in the local community. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's stated mission and purpose.
- The charity will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, permanent, casual and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Achievement and performance

Charitable Activities

The Trust's Head Office has been established at 1-5 Martin Square, Larkfield, ME20 6QL, offices leased by TMBC to the Trust.

Five corporate objectives were considered by TMBC upon the formation of an independent Trust;

DELIVERY OF CORPORATE PRIORITIES

FINANCIAL SAVINGS

LONG TERM SUSTAINABILITY

ASSET MAINTENANCE

QUALITY OF SERVICE

In accordance with the Management Agreement a review of the Trust's performance against these objectives was completed in 2017/18 with negotiation leading to the revision of the Service Fee to a zero sum for the second five year tranche of the Management Agreement from 2018 - 2023. The negotiation also incorporated some amendments to key commercial clauses within the Management Agreement which have been subject to formal variation to contract. The COVID-19 pandemic led to financial support from TMBC to ensure the future sustainability of the Trust.

Whilst business recovery was substantial in 2022/23, the approved budget reflected a likely operational deficit of c£300,000 and early warning of substantial increases in energy costs following the pandemic suggested the Trust would call on the tariff protection clauses in the Management Agreement and make an anticipated claim of £280,000 against TMBC.

Global geopolitical events escalated to result in further exponential increases in energy costs and following negotiation TMBC agreed to suspend the tariff protection clauses for two years in favour of a provisional Service Fee to the Trust of a further £700,000 for 2022/23 and a sum to be determined in 2023/24. This sum was despite the introduction of a £1 'swim surcharge' on every casual swim to mitigate the rising costs.

During 2022/23 negotiation around the next five year (2023 - 2028) Service Fee commenced. However, issues surrounding the Tonbridge Town Centre Review being conducted by TMBC which will impact on the future of the Angel Centre, and ongoing energy cost support led to negotiations being deferred. Instead, it was agreed that the long stop arrangements in the Management Agreement would be invoked, resulting in the 'core' Service Fee being extended at zero sum for 2023/24. The Five Year Business Plan was also extended to cover 2022/23 with a new Two Year Plan being prepared to cover 2023 - 2025.

The key priorities identified below within the Five Year Business Plan are used to highlight areas of progress. The Annual Service Delivery Plan was used to drive specific objectives and the Balanced Scorecard was reintroduced to measure identified KPIs.

During 2022/23 the Trust consolidated arrangements at Kings Hill Sports Park where the Trust was successful in securing grant funding for floodlighting to the tennis courts and was assisted by the Parish Council in refurbishment of the café/bar. The Parish Council remained responsible for profit and loss after the Management Fee and exponential increases in utilities resulted in additional cost. Elsewhere, July 2022 saw the slightly belated opening of the new café and watersports hub at Leybourne Lakes Country Park. Over the course of the rest of 2022/23 the café outperformed its financial target and in January 2023 the Trust installed an ANPR parking solution in the car park.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

PARTICIPATION - Around 1.19m customer visits were recorded as the business recovery in 2022/23 progressed. This compares to 825,000 in 2021/22 and is close to the last full year prior to COVID, 2019/20 when 1.23m visits were recorded. The level of recorded visits varied across key areas with health and fitness membership still below pre-pandemic levels at around 92% whilst swim and spa membership increased by 19%. Swim School has seen a huge surge post pandemic with the Trust now teaching around 3,500 children each week compared to 2,400 in 2019/20. Casual swimming also saw an upturn compared to pre-pandemic figures with an additional 50,000 attendances. Golf membership grew to over 400 compared to around 220 in 2019/20.

AWARENESS - The Trust continued to work hard to maintain awareness of the profile of the brand through a presence, largely on social media sites, that sought to maximise programme exposure and membership opportunities. The 'cost of living' crisis saw a focus on member offers and awareness of programmes and activities promoting healthy lifestyles available at low cost. The shift away from online opportunities made available during COVID was completed as numbers attracted by these offers dwindled and customers returned 'in person' to the facilities. The Trust continued to promote its charitable ethos to customers through the website and social channels to raise awareness of the reinvestment of funds and the non-profit distributing model of operation using marketing material from Community Leisure UK.

HEALTHY LIFESTYLES - The tmaactive150 health and wellbeing programme, aimed at offering opportunities to those least inclined or able to pay for healthy activities returned fully in 2022/23 and was supported by almost £40,000 of KCC Reconnect grant funding. Over 350 young people enrolled in a Reconnect membership from baby/toddler and parent storytime sessions to family sports days, tennis coaching, dance classes, teen spirit fitness and retreat days, learn to cycle, intensive swim lessons and casual swimming passes. Holiday courses and seasonal events at Easter, summer, Hallowe'en and Christmas were all part of an inventive and healthy programme.

This programme was complemented by existing adult activities including exercise referral in the gym, walking football and netball, stretch and move classes, falls prevention, healthy walks, women's running groups, water therapy sessions and Here Come The Girls swim sessions. There were over 9,300 attendances to the programme in 2022/23.

CUSTOMER SATISFACTION - The primary feedback mechanisms used in 2022/23 were mystery visits undertaken by industry professionals, Pro-Insight and the Net Promoter Score. Each of the four main sites were subject to a mystery visit each quarter and the average score throughout the year was 84.2%, up 1.2% on 2019/20, the last full year of visits. Tonbridge Swimming Pool bore the distinction of scoring 100% in the third quarter visit - a score never before recorded. The Net Promoter Score is derived from automated customer surveys asking the likelihood of the customer recommending the facility to friends and family on a scale of 0-10, with only scores of 9 and 10 rated as promoters and scores of 0-6 regarded as detractors. This measure showed the Trust score as 55% against an industry wide average of 38%. This 17% margin above the industry average is the highest seen by the Trust since first introducing NPS. The Trust also continued to undertake a range of targeted customer surveys in areas such as Swim School, group exercise, and catering to inform future planning, investment and decisions.

SOCIAL INCLUSION - The Trust has continued to deliver concessionary use to Leisure Pass holders. Concessionary prices continue to be extended to people on low income, senior citizens, students, juniors and people living with disabilities. As described above the tmaactive150 programme recommenced fully in 2022/23 along with the Reconnect programme and was promoted as low cost access to families least able to afford the facilities.

CHARITABLE - The Community Fund that normally distributes 2% of profits was not available given the trading deficit position of the Trust however over £8,000 worth of vouchers were distributed on request to local schools, charities and clubs. The Trust identified the local charity, Spadework, to work with in 2022/23 to provide indirect support through sponsored events and other activities. The tmaactive golf day, sponsored events and the Step Up to Spadework initiative with staff and customers raised over £5,000 for the charity.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

ENVIRONMENTAL - TMBC has identified the extent of the carbon footprint of the leisure facilities as part of its overall assets and a focus is being placed upon Carbon Descent Plans, especially at the swimming pool sites to help meet TMBC's overall climate change targets. Current reductions in utility usage at Larkfield Leisure Centre following the installation of a new roof and air handling plant are around 12% and a further reduction in electricity of 6% is forecast by the installation of PV panels on the Sports Hall roof in March 2023. TMBC is committed to a further PV array on the roof at Tonbridge Swimming Pool. The new café at Leybourne Lakes Country Park, branded an eco-café also benefits from a PV array and a lake source heat pump. Overall utilities consumption in 2022/23 showed a reduction in electricity of 14% and a reduction in gas of 16.3% compared to the baseline on the Trust's inception in 2013.

QUALITY - The Trust's historic commitment to Quest, the national quality scheme for sport and leisure, was put on hold during the pandemic when the Quest scheme was effectively suspended. Changes to the scheme have been implemented post-pandemic and the Trust expects to re-engage in 2023/24. The scheme will now form part of the Moving Communities platform launched during COVID by Sport England and designed to capture and benchmark participation, financial and qualitative performance within the sector. The Trust has been unable to benefit from the platform due to technical and IT issues beyond its control but an upgrade of the Trust's Leisure Management System in late 2022/23 should enable this going forwards. The normal quarterly Health & Safety Committee chaired by the Chief Executive with retained external expert support was reinstated in 2022/23.

STAFF - The Trust has continued, along with the entire sector, to suffer staff recruitment and retention issues throughout 2022/23. Turnover of permanent staff in each of the first two quarters of the year was above normal levels however further consideration of front line pay scales saw greater stability in the second half of the year. Overall turnover for the year remained high. Much of this turnover occurred on the frontline in roles such as lifeguard, receptionist, fitness consultant and catering staff. Casual recruitment proved equally challenging although the revised approach to National Minimum Wage age-related pay bands also bore fruit. At the year end an effective return to full establishment had been achieved.

However, ongoing pay inflation remains an issue moving into 2023/24 and in March 2023 the Board approved a pay award of 5% for management and supervisory staff and up to 7.6% for frontline staff as the National Living Wage increased by 9.7% on 1 April 2023.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Financial review

Financial position

The Financial Statements reflect performance in the tenth year of the Trust and income from general trading, whilst somewhat altered in terms of specific income streams, returned to pre-pandemic levels. However, the exponential increases in energy costs brought a new financial challenge to the sector and the Trust was not immune to the issue. The total cost of electricity and gas in 2022/23 rose to £1.766m compared to £586,000 in 2019/20. Whilst some of this increase had been foreseen in 2021/22 the expectation of a claim against TMBC under the tariff protection agreement remained.

In the previous year (2021/22) TMBC provided £700,000 of COVID support by way of a Service Fee. Whilst it was hoped further payment may not be required the invasion of Ukraine and subsequent global price increases resulted in an additional Service Fee of £685,000 in place of the tariff protection agreement which was suspended due to the extenuating circumstances.

The Board had approved a budget that also saw a likely trading deficit based on the extent of continued recovery and significant inflationary pressures. This could be borne from cash reserves. Ultimately the year end deficit of £177,181 therefore represented an outperformance in trading terms as income in key areas such as casual swimming and courses was very strong. Total income excluding the Service Fee payment was around £650,000 above forecast whilst expenditure offset by the Service Fee payment was around £200,000 above forecast.

The suspension of the tariff protection agreement has been extended to 2023/24 and a Service Fee of £750,000 is included in the approved budget to mitigate the anticipated ongoing increased energy costs. The budget overall forecasts a further trading deficit and it is recognised that this does not represent a sustainable way forward. Renegotiation of the Service Fee for 2024/25 onwards needs to address the problem, returning the Trust to at least a breakeven position.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Financial review

Reserves policy

The Trust's second Five Year Business Plan was approved as a Schedule to the Management Agreement between TMBC and the Trust and contains reference to Revenue and Capital Reserves. Following the global pandemic and as a further consequence of invoking the 12 month long stop Service Fee arrangement in the Management Agreement the Business Plan was also carried over by 24 months until 31 March 2023. A new Two Year Business Plan was approved by the Board in March 2023 to run until 31 March 2025 which identifies the need to review the current Reserves Policy.

To date the Trust's reserve policy has been to hold a revenue reserve represented by a net current asset position of not less than £500,000. The future review will take into account the following as identified in the Business Plan;

Risks - for example the current cost of living and energy cost crises may be considered within the reserve policy.

Development Plans - this should consider planned investments and renewals where costs may not be met from a single year's income and reserves may need to be built up.

Operational - this should identify the level of working capital to cover seasonal fluctuations and anticipated strain on cash flow during the financial year.

Contingency - this would identify funds for unexpected events that may not be foreseen such as sudden closure of facilities.

Trustees will consider the level of reserve for each element within the overall minimum desirable level of £500,000.

Total Funds

Total funds held at 31 March 2023 show a surplus balance of £1,243,257 (2022: deficit £205,562 deficit) of which £9,242 were restricted. The Board has designated funds as detailed below:

General Fund

The Trust has established a General Fund, represented in terms of liquidity by net current assets, in excess of £500,000 in line with the objective in the initial Business Plan. This provides a level of security and sustainability reflective of the overall size of the organisation. Net current assets at 31 March 2023 were £330,906 (2022: £475,937).

Currently the Trust holds £1,035,198 (2022: £1,155,151) in the General Fund before accounting for the pension asset.

IT Replacement Fund

In 2016/17 the Trust reached agreement with TMBC to asset transfer the IT hardware for the rest of the contract period. This decision was approved by the Board and a lump sum of £200,000 was paid to the Trust. New IT hardware has been purchased and the balance is placed in a designated reserve to allow future replacement which currently holds £128,640 (2022: £149,203).

Telephone Replacement Fund

In 2021/22 the Trust reached agreement with TMBC to asset transfer the telephony hardware for the rest of the contract period. The decision was approved by the Board and a lump sum of £35,300 was paid to the Trust. The changing face of telephony services resulted in purchase of hardware and new licencing arrangements and the balance is placed in a designated reserve to allow for future replacement that currently holds £21,177.

TONBRIDGE AND MALLING LEISURE TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Financial review

FRS 102 Pension Fund

Total unrestricted funds before accounting for the pension surplus held at the 31 March 2023 were £1,185,015. A pension surplus of £49,000 (2022: deficit (£1,577,000)) has been included in the Financial Statements to comply with the provisions of FRS 102. After accounting for the pension surplus of £49,000 (2022: deficit £1,577,000) total funds amount to a surplus balance of £1,243,257 (2022: £205,562 deficit).

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the charitable company nor any of its Trustees held any funds as custodian Trustee.

Plans for future periods

The Trust's second five year Business Plan was extended to cover the period up to 31 March 2022. However, a new two year plan covering the period from 1 April 2023 to 31 March 2025 has been approved by the Board and TMBC. The plan is expected to see progress towards the crucial decision concerning the future of the Angel Centre, finalisation of the Service Fee until 31 March 2028 and the succession plan that sees a new Chief Executive in post.

In terms of planning for 2023/24 the renegotiation of the Service Fee, incorporating consideration of a contract extension is of paramount importance, and the Business Plan describes an aspiration to separate any fee in lieu of energy costs out as an annual consideration with the 'core' Service Fee set until 31 March 2028. The caveat to this approach would be any substantive change in terms of the future of the Angel Centre.

The Trust will continue to work with TMBC and its consultants, Mace, in respect of the future of the Angel Centre. Phase Two of the Mace report is expected in the early Autumn and consideration by TMBC may provide an indication of the preferred options.

The Business Plan also identifies further strategic objectives including implementation of the workforce management software, introduction of new HR and Digital strategies and a seamless transition through the approved Succession Plan to the new Chief Executive and restructured Executive Management Team.

A review of the current reserves policy is recommended following advice from the Trust's Audit Partner and a further review of capital development opportunities will be considered by the Board.

The Trust continues to be open to the possibility of further collaboration with other Parish Councils and has expressed an interest in any consideration by TMBC of future opportunities including Haysden Country Park and Tonbridge Castle.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company, a company limited by guarantee, was established under a Memorandum of Association which formed the objects and powers of the charitable company and is governed under its Articles of Association.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new Trustees

The current Board consists of 10 Trustees of which 7 are Community Trustees. Recruitment of Community Trustees is subject to general advertisement and approval of the Board in accordance with the Articles of Association. Recruitment will highlight relevant skills and experience that are deemed appropriate to complement the existing profile of Trustees. New Community Trustees will be required to live and/or work within the Borough to ensure truly local interest and representation. The appointment of the Staff Trustee will be at the approval of the Board and through a transparent process that allows consideration of any permanently contracted employee of the Trust whether full or part time.

Organisational structure

In addition to the 7 Community Trustees and the Staff Trustee, the Leader of Tonbridge & Malling Borough Council nominates two Members to the Board making up the full complement of 10. At 31 March 2023 there was one vacancy on the Board. According to the Articles of Association three Trustees retired by rotation at the Annual General Meeting held in December 2022. Two of the three retirees, Duncan Scott and Sarah King were unanimously re-elected whilst the third retiree, Neil Sallsbury indicated that he did not wish to seek re-election and resigned from the Board. The Chair, Alan Nicholl was re-elected unopposed and Simon White was re-elected unopposed to the role of Vice Chair. Two new Trustees, Vidhya Ratnam and Pia Philbey were appointed to vacancies during the year.

Induction and training of new Trustees

Induction of new Trustees is undertaken using the original Induction Pack prepared by WS Law that outlines the duties and responsibilities of a Director and Trustee. WS Law continue to be retained by the Trust and can deliver the training directly if felt appropriate.

The Chief Executive will provide a comprehensive introduction to the facilities, background to the Trust, business, operational and financial plans. In addition, the Chief Executive will provide a detailed overview of the suite of documents that form the agreement between the Trust and Tonbridge & Malling Borough Council.

Remuneration of Key Management Personnel

In 2022/23 an approved cost of living award of 4% to all staff including key management personnel was awarded. The Board approved a succession plan to take account of the intended retirement of the current Chief Executive in summer 2024. The proposed interim structure will include regrading of some senior posts in 2023/24 which was reflected in the approved budget.

The Board considers the recommendation of the Chief Executive annually in the context of the overall draft budget. Factors taken into account include national pay inflation figures, affordability, local competitors in relevant areas of the business and the Community Leisure UK Annual HR report which benchmarks rates of pay across all roles within the sector nationally and by region.

Board Meetings

The Board had 4 scheduled meetings in 2022/23. The Annual General Meeting was held in December 2022. The Board received detailed quarterly updates at Board meetings in respect of the financial position, business recovery planning, staff and customer related issues. One EGM was held to approve the audited Financial Statements for the year ended 31 March 2022 together with the Report of the Trustees.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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.

Immediately prior to the pandemic the Board approved a revised approach to corporate risk including the development of a risk schedule presented in draft form. Over the course of 2022/23 the Board approved a series of detailed risk statements which form the completed Corporate Risk Register. Each of the identified risks is rated based upon likelihood and severity and prioritised as a consequence. Risk Managers are identified. The Register includes corporate risk, business continuity issues and high level operational risks. An individual Trustee was appointed as the Board Risk Champion and helped guide and develop the Register which will be reviewed annually or more frequently by exception.

The Corporate Risk Register is arranged under a number of key headings with examples shown below

- Charitable Status - changes to or failure to comply with charitable legislation and objectives
- Company Legislation - changes to or failure to comply with company legislation
- Relationship with Council - failure to secure contract extension past 2033 and/or change in local authority policy
- Health & Safety Legislation - changes in legislation and/or serious breach of legislative requirements
- Data Protection & IT Security - breach of data protection legislation and/or cyber attack
- Environmental Issues / Climate Change - breach or change in legislation and/or long term adverse environmental conditions especially on outdoor facilities
- Business Continuity - loss or failure of key suppliers including IT systems providers and severe recruitment difficulties
- Financial Sustainability - general inflation including utilities costs and/or withdrawal of local authority funding support through changes to the Management Agreement
- Service Disruption - major plant or equipment failure, fire, flood or pandemic

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08447331 (England and Wales)

Registered Charity number

1154831

Registered office

1-5 Martin Square
Larkfield
AYLESFORD
Kent
ME20 6QL

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Trustees

A Nicholl
S White
N Salisbury (resigned 5.12.22)
S King
M Davis
K Bennett
D Scott
T Bishop
P Philbey (appointed 6.6.22)
S Ratnam (appointed 6.6.22)

Company Secretary

D Sayle

Auditors

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

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Bankers

National Westminster Bank PLC

TONBRIDGE AND MALLING LEISURE TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Company trading name

tmactive

Executive management team

M Guyton Chief Executive

E Wood Deputy Chief Executive

D Sayle Chief Financial Officer

K Brimsted Chief Operating Officer

W Parker Head of Sales and Marketing

I Mansfield Head of Facilities and Compliance

C Bushell Human Resources Manager

E Alexander Catering Manager

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Tonbridge and Malling Leisure Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

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

In so far as the Trustees are aware:

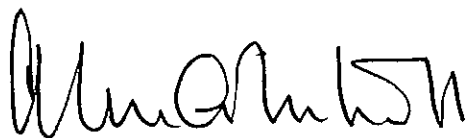
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Report of the Trustees, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 11 September 2023 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Alan Charles Nicholl', written in a cursive style.

Alan Charles Nicholl - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Opinion

We have audited the financial statements of Tonbridge and Malling Leisure Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Our responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charitable Company, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

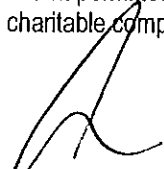
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

11 September 2023

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	-	-	-	219,280
Charitable activities	4					
Operation of leisure/golf centres/country park		9,682,283	-	7,946	9,690,229	7,223,956
Investment income	3	9,785	-	-	9,785	1,159
Total		<u>9,692,068</u>	<u>-</u>	<u>7,946</u>	<u>9,700,014</u>	<u>7,444,395</u>
EXPENDITURE ON Charitable activities						
Operation of leisure/golf centres/country park	5	<u>9,846,707</u>	<u>135,000</u>	<u>30,488</u>	<u>10,012,195</u>	<u>7,214,819</u>
NET INCOME/(EXPENDITURE)		(154,639)	(135,000)	(22,542)	(312,181)	229,576
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		<u>-</u>	<u>1,761,000</u>	<u>-</u>	<u>1,761,000</u>	<u>316,000</u>
Net movement in funds		(154,639)	1,626,000	(22,542)	1,448,819	545,576
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>1,339,654</u>	<u>(1,577,000)</u>	<u>31,784</u>	<u>(205,562)</u>	<u>(751,138)</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,185,015</u></u>	<u><u>49,000</u></u>	<u><u>9,242</u></u>	<u><u>1,243,257</u></u>	<u><u>(205,562)</u></u>

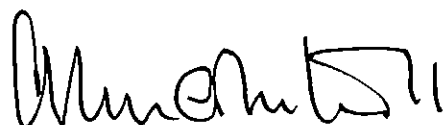
The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST (REGISTERED NUMBER: 08447331)
T/A TMACTIVE
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BALANCE SHEET
31 MARCH 2023

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS						
Tangible assets	11	863,351	-	-	863,351	895,501
CURRENT ASSETS						
Stocks	12	98,238	-	-	98,238	80,757
Debtors	13	271,274	-	-	271,274	405,089
Investments	14	252,783	-	-	252,783	2,579
Cash at bank and In hand		<u>1,052,694</u>	<u>-</u>	<u>9,242</u>	<u>1,061,936</u>	<u>1,242,640</u>
		1,674,989	-	9,242	1,684,231	1,731,065
CREDITORS						
Amounts falling due within one year	15	(1,353,325)	-	-	(1,353,325)	(1,255,128)
NET CURRENT ASSETS		<u>321,664</u>	<u>-</u>	<u>9,242</u>	<u>330,906</u>	<u>475,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,185,015	-	9,242	1,194,257	1,371,438
PENSION ASSET/(LIABILITY)	18	-	49,000	-	49,000	(1,577,000)
NET ASSETS/(LIABILITIES)		<u>1,185,015</u>	<u>49,000</u>	<u>9,242</u>	<u>1,243,257</u>	<u>(205,562)</u>
FUNDS	17					
Unrestricted funds					1,234,015	(237,346)
Restricted funds					<u>9,242</u>	<u>31,784</u>
TOTAL FUNDS					<u>1,243,257</u>	<u>(205,562)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11 September 2023 and were signed on its behalf by:



Alan Charles Nicholl - Trustee

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>132,714</u>	<u>780,369</u>
Net cash provided by operating activities		<u>132,714</u>	<u>780,369</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(72,999)	(36,902)
Sale of tangible fixed assets		-	10,480
95 day deposit account investment		(250,204)	(2)
Interest received		<u>9,785</u>	<u>1,159</u>
Net cash used in investing activities		<u>(313,418)</u>	<u>(25,265)</u>
Change in cash and cash equivalents in the reporting period		(180,704)	755,104
Cash and cash equivalents at the beginning of the reporting period		<u>1,242,640</u>	<u>487,536</u>
Cash and cash equivalents at the end of the reporting period		<u>1,061,936</u>	<u>1,242,640</u>

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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

	31.3.23 £	31.3.22 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(312,181)	229,576
Adjustments for:		
Depreciation charges	105,149	111,726
Interest received	(9,785)	(1,159)
Increase in stocks	(17,481)	(15,158)
Decrease/(increase) in debtors	133,815	(108,621)
Increase in creditors	98,197	377,005
Difference between pension charge and cash contributions	135,000	187,000
Net cash provided by operations	<u>132,714</u>	<u>780,369</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>1,242,640</u>	<u>(180,704)</u>	<u>1,061,936</u>
	<u>1,242,640</u>	<u>(180,704)</u>	<u>1,061,936</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>2,579</u>	<u>250,204</u>	<u>252,783</u>
	<u>2,579</u>	<u>250,204</u>	<u>252,783</u>
Total	<u>1,245,219</u>	<u>69,500</u>	<u>1,314,719</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

A combination of the pandemic aftermath and other widely publicised global geopolitical factors have prompted rarely seen increases in energy prices and inflation rates which together have caused a nationwide cost of living crisis throughout the 2022/23 financial year. Furthermore, it is likely that these financial pressures will continue to be an issue going forward.

Therefore, the full extent of the impact of these issues upon the Charitable Company remain uncertain, but in response to these matters, the entity has in place the following mitigations:

- A utility tariff protection agreement with TMBC, by which the Charitable Company is protected against increases above inflation in the price of gas and electricity.
- In respect of the tariff protection agreement, the Charitable Company have successfully negotiated a service fee arrangement which provides for quarterly interim payments made to the Charitable Company by TMBC in order to protect cash flow throughout the year.
- The Executive Management Team continue to work with TMBC via regular strategic level meetings on a financially transparent basis to ensure the sustainable future of the Charitable Company.
- Arrangements have been made for investment by TMBC in energy savings schemes at operational sites, some of which are already in place with others planned for future implementation.
- It is considered that the demography of the Charitable Company's customer base will continue to reduce the worst of the impact of the current cost of living crisis. However, the Board will continue to monitor the position and support targeted offers with the aim of minimising any reduction in customer levels.

The Charitable Company has produced financial trading and cash flow forecasts for the next 24 months based on prudent assumptions in respect of growth and key costs.

These forecasts indicate that the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future.

The Board has determined that the actions taken and its tariff protection arrangement are sufficient, and has therefore prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider the key sources of estimation uncertainty; depreciation and amortisation charges for assets included in the Statement of Financial Position based on the estimated useful economic life of the assets. Deferred and accrued income is recorded over the period for which the memberships relate.

Income

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

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

During the current year the Charitable Company did not receive any Government Grants.

Expenditure

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

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites. Charitable activities are split into leisure activities, which are those costs incurred directly in the running of each of the sites, and support costs which are those costs incurred directly in support of expenditure on the objects of the charitable company. Governance costs are those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

Fixed assets costing in excess of £2,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line over 5 to 10 years

Plant and machinery - straight line between 3 to 10 years

Improvements to leasehold property - SL over remaining term of lease (31/10/2033)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

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.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds or designated funds, which are set aside by the trustees for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

Pensions

The charitable company operates a pension scheme through Kent County Council providing benefits based previously on final pensionable pay but amended from 1 April 2014 to career average revalued earnings (CARE). The assets of the scheme are held separately in an independently administered fund. Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the charitable company in respect of all transferring staff. Employees who joined the charitable company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the charitable company is liable for. Accordingly, the financial statements for the year ended 31 March 2023 show a pension asset of £49,000 as calculated by the scheme actuary.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the trust 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 introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the 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. Actuarial remeasurement gains and losses are recognised immediately in other recognised gains and losses.

In addition, the charitable company operates a defined contributions pension scheme for new staff, the cost of which is charged to the Statement of Financial Activities as incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, 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 offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed, to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Inventories are also assessed for impairment at each reporting date. Each item of inventory is compared to the last sold date and an impairment loss recognised on a percentage basis in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit and loss.

Service concessions arrangements

The charitable company has a Service Contract with Tonbridge & Malling Borough Council for the operation of leisure centres, golf courses, and a country park owned by the Council to which it has lease and management service contracts. Tonbridge & Malling Borough Council has rights under the contracts to specify the activities offered by the centres and the minimum standards for the services to be provided.

Property, plant and equipment

The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Tonbridge & Malling Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, golf courses and country park, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet. Improvements to property funded by the Trust are shown in the balance sheet as fixed assets and are depreciated over the term of the lease.

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Job retention scheme	-	219,280

3. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	9,785	1,159

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM CHARITABLE ACTIVITIES

		31.3.23	31.3.22
	Activity	£	£
Leisure centre income	Operation of leisure/golf centres/country park	9,682,283	6,987,859
Insurance claim	Operation of leisure/golf centres/country park	-	7,363
Grants	Operation of leisure/golf centres/country park	7,946	228,734
		<u>9,690,229</u>	<u>7,223,956</u>

Grants received, included in the above, are as follows:

	31.3.23	31.3.22
	£	£
TMBC covid grant	-	152,549
KHPC Deficit Contribution	-	9,101
KCC Reconnect grant	7,946	31,784
TMBC telephone replacement	-	35,300
	<u>7,946</u>	<u>228,734</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Operation of leisure/golf centres/country park	<u>7,866,843</u>	<u>2,145,352</u>	<u>10,012,195</u>

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of leisure/golf centres/country park	<u>2,119,992</u>	<u>25,360</u>	<u>2,145,352</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Audit Fee	21,260	9,730
Other non-audit services	4,100	23,244
Depreciation - owned assets	<u>105,149</u>	<u>111,726</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

8. TRUSTEES' REMUNERATION AND BENEFITS

Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff and not in respect of their services as trustees. Other Trustees did not receive any payments, other than expenses, from the charitable company in respect of their role as Trustees. The value of the Trustees' remuneration during the period was as follows:

K Bennett (Staff Trustee) £21,820 (2022: £17,407)

Trustees' expenses

During the period, reimbursed expenses amounting to £nil (2022: £nil) were paid to Trustees.

9. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	4,711,550	3,854,721
Social security costs	318,190	254,296
Other pension costs	382,744	423,389
	<u>5,412,484</u>	<u>4,532,406</u>

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

	31.3.23	31.3.22
Senior management	9	8
Leisure activities	375	336
Support	<u>11</u>	<u>9</u>
	<u>395</u>	<u>353</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.23	31.3.22
£60,001 - £70,000	2	1
£110,001 - £120,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>2</u>

The total amount of employee benefits received by key management personnel (KMP) is £688,783 (2022: £610,832). Those considered to be KMP are listed on page 14 of the Trustees report.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS102 Pension £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	-	219,280	219,280
Charitable activities				
Operation of leisure/golf centres/country park	7,192,172	-	31,784	7,223,956
Investment income	<u>1,159</u>	<u>-</u>	<u>-</u>	<u>1,159</u>
Total	<u>7,193,331</u>	<u>-</u>	<u>251,064</u>	<u>7,444,395</u>
EXPENDITURE ON				
Charitable activities				
Operation of leisure/golf centres/country park	<u>6,808,539</u>	<u>187,000</u>	<u>219,280</u>	<u>7,214,819</u>
NET INCOME/(EXPENDITURE)	384,792	(187,000)	31,784	229,576
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	<u>-</u>	<u>316,000</u>	<u>-</u>	<u>316,000</u>
Net movement in funds	384,792	129,000	31,784	545,576
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>954,862</u>	<u>(1,706,000)</u>	<u>-</u>	<u>(751,138)</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,339,654</u>	<u>(1,577,000)</u>	<u>31,784</u>	<u>(205,562)</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Office equipment £	Totals £
COST				
At 1 April 2022	1,048,545	245,071	70,194	1,363,810
Additions	<u>20,452</u>	<u>50,042</u>	<u>2,505</u>	<u>72,999</u>
At 31 March 2023	<u>1,068,997</u>	<u>295,113</u>	<u>72,699</u>	<u>1,436,809</u>
DEPRECIATION				
At 1 April 2022	266,887	143,770	57,652	468,309
Charge for year	<u>71,093</u>	<u>31,303</u>	<u>2,753</u>	<u>105,149</u>
At 31 March 2023	<u>337,980</u>	<u>175,073</u>	<u>60,405</u>	<u>573,458</u>
NET BOOK VALUE				
At 31 March 2023	<u>731,017</u>	<u>120,040</u>	<u>12,294</u>	<u>863,351</u>
At 31 March 2022	<u>781,658</u>	<u>101,301</u>	<u>12,542</u>	<u>895,501</u>

12. STOCKS

	31.3.23	31.3.22
	£	£
Stocks	<u>98,238</u>	<u>80,757</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	68,370	72,970
Other debtors	4,725	176,717
Prepayments and accrued income	<u>198,179</u>	<u>155,402</u>
	<u>271,274</u>	<u>405,089</u>

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

14. CURRENT ASSET INVESTMENTS

	31.3.23	31.3.22
	£	£
Unlisted investments	<u>252,783</u>	<u>2,579</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	159,211	264,096
Social security and other taxes	78,874	79,703
VAT	131,622	65,622
Other creditors	59,875	160,584
Deferred income	512,704	449,357
Accrued expenses	<u>411,039</u>	<u>235,766</u>
	<u>1,353,325</u>	<u>1,255,128</u>

16. LEASING AGREEMENTS

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

	31.3.23	31.3.22
	£	£
Within one year	54,986	52,745
Between one and five years	<u>31,375</u>	<u>22,354</u>
	<u>86,361</u>	<u>75,099</u>

The charitable company holds a lease of £35,000 per annum for office rental which ends 31 March 2024, however this lease can be cancelled with 12 months notice.

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

17. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	1,155,151	(119,953)	1,035,198
IT Replacement Fund	149,203	(20,563)	128,640
FRS102 Pension	(1,577,000)	1,626,000	49,000
Telephone replacement	35,300	(14,123)	21,177
	(237,346)	1,471,361	1,234,015
Restricted funds			
KCC Reconnect	31,784	(22,542)	9,242
TOTAL FUNDS	<u>(205,562)</u>	<u>1,448,819</u>	<u>1,243,257</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,692,068	(9,812,021)	-	(119,953)
IT Replacement Fund	-	(20,563)	-	(20,563)
FRS102 Pension	-	(135,000)	1,761,000	1,626,000
Telephone replacement	-	(14,123)	-	(14,123)
	9,692,068	(9,981,707)	1,761,000	1,471,361
Restricted funds				
KCC Reconnect	7,946	(30,488)	-	(22,542)
TOTAL FUNDS	<u>9,700,014</u>	<u>(10,012,195)</u>	<u>1,761,000</u>	<u>1,448,819</u>

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	805,377	349,774	1,155,151
IT Replacement Fund	149,485	(282)	149,203
FRS102 Pension	(1,706,000)	129,000	(1,577,000)
Telephone replacement	-	35,300	35,300
	(751,138)	513,792	(237,346)
Restricted funds			
KCC Reconnect	-	31,784	31,784
TOTAL FUNDS	(751,138)	545,576	(205,562)

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,158,031	(6,808,257)	-	349,774
IT Replacement Fund	-	(282)	-	(282)
FRS102 Pension	-	(187,000)	316,000	129,000
Telephone replacement	35,300	-	-	35,300
	7,193,331	(6,995,539)	316,000	513,792
Restricted funds				
Coronavirus job retention scheme	219,280	(219,280)	-	-
KCC Reconnect	31,784	-	-	31,784
	251,064	(219,280)	-	31,784
TOTAL FUNDS	7,444,395	(7,214,819)	316,000	545,576

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

17. MOVEMENT IN FUNDS - continued

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

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	805,377	229,821	1,035,198
IT Replacement Fund	149,485	(20,845)	128,640
FRS102 Pension	(1,706,000)	1,755,000	49,000
Telephone replacement	-	21,177	21,177
	(751,138)	1,985,153	1,234,015
Restricted funds			
KCC Reconnect	-	9,242	9,242
TOTAL FUNDS	(751,138)	1,994,395	1,243,257

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	16,850,099	(16,620,278)	-	229,821
IT Replacement Fund	-	(20,845)	-	(20,845)
FRS102 Pension	-	(322,000)	2,077,000	1,755,000
Telephone replacement	35,300	(14,123)	-	21,177
	16,885,399	(16,977,246)	2,077,000	1,985,153
Restricted funds				
Coronavirus job retention scheme	219,280	(219,280)	-	-
KCC Reconnect	39,730	(30,488)	-	9,242
	259,010	(249,768)	-	9,242
TOTAL FUNDS	17,144,409	(17,227,014)	2,077,000	1,994,395

IT Replacement Fund

During the year 31 March 2017 an amount of £200,000 was received from TMBC in respect of the replacement costs of IT equipment. Unspent funds at 31 March 2023 were £128,640 (2022: £149,203).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

17. MOVEMENT IN FUNDS - continued

Telephone System Replacement Fund

During the year 31 March 2023 an amount of £35,300 was received from TMBC in respect of the replacement costs of the telephone system. Unspent funds at 31 March 2023 were £21,177 (2022: £35,300).

KCC Reconnect Fund

During the year 31 March 2023 an amount of £31,784 was received from KCC to deliver a programme of activities for children and young people through to August 2022. The aim of the grant is to help reconnect children and young people with activities they missed during the COVID-19 pandemic. During the year 31 March 2023 an additional amount of £7,946 was received. Unspent funds at 31 March 2023 were £9,242 (2022: 31784).

18. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined benefit pension scheme for some employees administered by Kent County Council, the administering authority to the Kent County Council Pension Fund. The charitable company has admitted body status to the Kent County Council Pension Fund. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the full actuarial valuation of the fund carried out by the actuary as at 31 March 2023.

Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the charitable company in respect of pension contributions of all transferring staff. Employees who joined the charitable company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the charitable company is liable for. Accordingly, the financial statements for the year ended 31 March 2023 show a pension asset of £49,000 (2022: Deficit £1,577,000).

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Present value of funded obligations	(1,527,000)	(3,083,000)
Fair value of plan assets	<u>1,576,000</u>	<u>1,506,000</u>
	49,000	(1,577,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Surplus/(Deficit)	<u>49,000</u>	<u>(1,577,000)</u>
Net asset/(liability)	<u>49,000</u>	<u>(1,577,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Current service cost	164,000	223,000
Net interest from net defined benefit asset/liability	39,000	34,000
Past service cost	-	-
Administrative expenses	1,000	1,000
	<u>204,000</u>	<u>258,000</u>
Actual return on plan assets	<u>(2,000)</u>	<u>29,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Opening defined benefit obligation	3,083,000	3,084,000
Current service cost	164,000	223,000
Contributions by scheme participants	24,000	27,000
Interest cost	79,000	63,000
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(65,000)	-
Actuarial (gains)/losses from changes in financial assumptions	(1,837,000)	(323,000)
Experience loss/(gain) on defined benefit obligation	79,000	9,000
	<u>1,527,000</u>	<u>3,083,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Opening fair value of scheme assets	1,506,000	1,378,000
Interest on assets	(1,000)	(1,000)
Contributions by employer	69,000	71,000
Contributions by scheme participants	24,000	27,000
Expected return	40,000	29,000
Actuarial gains/(losses)	(42,000)	-
Return on plan assets (excluding interest income)	(20,000)	2,000
	<u>1,576,000</u>	<u>1,506,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	65,000	-
Actuarial (gains)/losses from changes in financial assumptions	1,837,000	323,000
Actuarial (gains)/losses from changes in demographic assumptions	(79,000)	(9,000)
Return on plan assets (excluding interest income)	(20,000)	2,000
Other actuarial gains/(losses)	(42,000)	-
	<u>1,761,000</u>	<u>316,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22
Equities	64%	64%
Gilts	1%	1%
Other Bonds	13%	14%
Infrastructure	3%	-
Property	10%	12%
Cash	2%	2%
Absolute Return Fund	7%	7%
	<u>100%</u>	<u>18.</u>

Sensitivity analysis	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
	1,159,00 0	1,527,00 0	2,063,00 0
Present value of total obligation			
Projected service cost	34,000	55,000	87,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
	1,552,00 0	1,527,00 0	1,505,00 0
Present value of total obligation			
Projected service service cost	56,000	55,000	55,000
Adjustment to pension increases and deferred revaluation	+0.1%	+0.0%	-0.1%
	2,043,00 0	1,527,00 0	1,172,00 0
Present value of total obligation			
Projected service cost	87,000	55,000	33,000
Adjusted to life expectancy assumptions	1 Year	None	-1 Year
	1,571,00 0	1,527,00 0	1,485,00 0
Present value of total obligation			
Projected service cost	57,000	55,000	53,000

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.23	31.3.22
Discount rate	4.80%	2.55%
Future salary increases	3.90%	4.05%
Future pension increases	2.90%	3.05%

Pension supporting information

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet - both in respect of any outstanding employer contributions and any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc.) but crucially differ in one key respect - that of the discount factor used to arrive at net present value of any surplus or deficit. Whereas the Ongoing Basis uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. The volatility of the discount rate assumption can lead to higher liabilities being shown than if the liabilities were calculated by the Ongoing Basis.

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LPGS, the last triennial actuarial valuation was carried out in 2022 and new rates set for 3 years from April 2023. The employer contribution rates have been set at 18.6% for the next 3 years.

19. RELATED PARTY DISCLOSURES

During the year there were the following transactions with related parties:

The Trust made sales of £4,634 (2022: £2,159) to Tonbridge Juddians Rugby Football Club, where M Davis, a Trustee, is vice-president. There were no amounts due to the Trust at 31 March 2023 (2022: £nil).

The Trust made purchases of £10,872 to CP Digital for social media services. The spouse of W Parker, a member of Key Management Personnel, is a director of CP Digital. There was a balance of £864 owed by the Trust at 31 March 2023.

The spouse of D Sayle, a member of Key Management Personnel, was employed by the Trust on a temporary basis and was paid £897.

20. LEGAL STATUS

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.

TONBRIDGE AND MALLING LEISURE TRUST

England & Wales - Charity number 1154831

Accounts

REGISTERED COMPANY NUMBER: 08447331 (England and Wales)
REGISTERED CHARITY NUMBER: 1154831

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
TONBRIDGE AND MALLING LEISURE TRUST
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McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charitable Company are:

- to provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or for the public at large with the object of improving their conditions of life, and /or;
- to promote community participation in healthy recreation activities;
- to provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities;
- to develop the capacity and skills for those members of the community who are socially and/or economically disadvantaged in such a way as to enable them to identify, and help meet, their needs and to participate more fully in society;
- to pursue such other charitable purposes consistent with the above as the Trustees in their absolute discretion shall determine.

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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trust has been operating for nine years and can clearly demonstrate success against 'The Hallmarks of an Effective Charity' outlined in the Charity Commission guidance of that name.

- Clear about its purpose and direction:

The Trust has established a Vision, Mission Statement and Values outlined in the second 5 Year Business Plan. Taking the national agenda of ukactive, the representative UK body and delivering that agenda locally the Trust's Vision of 'more people, more active, more often' mirrors the objects and powers of the Trust and the growing public recognition of the benefits of a healthy lifestyle.

The Mission Statement develops the manner in which the Vision will be delivered declaring 'Our mission is to provide a clean, safe and happy leisure experience on an inclusive basis to residents and visitors to the Borough of Tonbridge and Malling for the benefit of their health and social wellbeing. We will achieve this in a sustainable way through excellence in our people, policies and practice.'

The Vision and Mission Statement is underpinned by nine core values as follows;

- Leadership
- Integrity
- Innovation
- Continuous Improvement
- Accessibility
- Customer Focus
- Teamwork
- Professionalism
- Environmental awareness

The values are further defined in the second 5 Year Business Plan and endorsed by the Board of Trustees.

- A strong Board:

Selection and recruitment of the Trust Board is planned and executed with a clear vision to provide a range of interested, articulate and passionate volunteers who bring a range of professional disciplines and experience to the boardroom. The Board comprises 7 Community Trustees with a blend of professional experience including financial, IT, commercial property, policy development, economic development, management consultancy and business entrepreneurship. This is complemented by the appointment of two Tonbridge and Malling Borough Council (TMBC) Members and a Staff representative.

During the course of the past twelve months meetings moved from an online format due to COVID-19 back to in person meetings as the risk receded. The Board has continued to promote the aims and objectives of the Trust and provided strong, challenging support to the Executive Management Team. All of the Trustees are residents of the Borough with the exception of the Staff Trustee.

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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

Critical issues throughout the year related to the impact of COVID-19 have still been at the forefront of Board matters. These and a number of other strategic issues have been debated at Board level with clear evidence of the benefit of the experience and empathy of the Trustees. Consensus on key issues has been reached with unanimity and where occasion has demanded the Board has delegated authority to act in the Chair and Chief Executive as appropriate.

- Financially sound and prudent:

Sustainability is a key Business Plan objective of the Trust. This was recognised by TMBC in its key priorities at the point of transfer of the leisure facilities to the Trust. The 20 year Management Agreement was supported by an initial 5 year funding agreement by TMBC. The stated objective within the initial Business Plan was to achieve a revenue reserve of £500,000 as soon as possible and this was achieved in 2016.

The COVID-19 global pandemic continued to be a severe test in respect of the sustainability of the Trust. The prudent approach to the Trust's financial position throughout the life of the Trust and a strong and supportive relationship with TMBC allowed ongoing negotiations that ensured the steady rebuilding of the Trust's financial position as the business recovery continued to unfold.

The objective within the 5 year Business Plan to hold a revenue reserve represented by a net current asset position of not less than £500,000 remained the goal.

-Fit for purpose:

The Executive Management Team (EMT) led by the Chief Executive now comprises the Head of Finance, Head of Operations (North), Head of Operations (South), Head of Facilities and Compliance, Head of Sales and Marketing, Customer Experience Manager and Human Resources Manager and the Catering Manager who was appointed in February 2022. The EMT provides a stable management approach consistent with the initial strategic and operational aims outlined in agreement with TMBC as part of the process of transfer to the Trust.

Operation of the Trust is assured through an existing but evolving suite of policies and procedures contained in an Integrated Management System. Roles and responsibilities in terms of governance and executive management are based upon guidance from the Association of Chief Executives of Voluntary Organisations (ACEVO). Key policies affecting health and safety and employment issues are also subject to Board approval.

Overall achievement of the objectives of the Trust is managed through an approved 5 Year Business Plan and an Annual Service Delivery Plan that is reviewed on a quarterly basis and reported to TMBC.

- Learning and improving:

The Trust is committed to understanding the sector in which it operates and contributing on a local level to a national agenda. As a consequence the Trust is an active member of Community Leisure UK (CLUK) the principal trade organisation for the sector with general and regional meetings. The Chief Executive has become the South East Regional Director on the CLUK Board, further cementing the relationship of the Trust with the entire sector. In addition the Executive Management Team is engaged with CIMSPA, the Chartered Institute representing the leisure industry.

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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

The Trust is committed to wide sector engagement in the delivery of its objectives and utilises the National Benchmarking Service and Quest, the national quality scheme for sport and leisure to ensure industry best practice and review is at the forefront of future planning. During the pandemic the Trust has reported financial and usage information to the Moving Communities platform, established initially to validate Government expenditure through the National Leisure Relief Fund but now utilised to provide wider industry benchmarking and insight.

The Trust has a training plan to ensure the continuing professional development of staff at all levels of the service. Expenditure on training has been reduced during the year in order to aid the financial recovery with the exception of maintaining statutory qualifications.

- Accountable and transparent

The work of the Trust sits entirely in the public domain and under normal circumstances through its Customer Charter, panels, surveys and feedback mechanisms it strives to engage transparently with all interested parties. Due to COVID-19 these feedback mechanisms were suspended but have been reintroduced gradually as the business recovery gathers pace.

As a key stakeholder the Trust reports to senior staff at TMBC on a formal recorded basis against the approved Annual Service Delivery Plan. A monthly strategic meeting is held to discuss financial and operational issues related to the pandemic.

Disabled persons

The Charitable Company's policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Social investments

The Trust is committed to investment in services that offer social return and has a Health & Wellbeing Strategy that aims to deliver the vision of the Trust to make 'more people, more active, more often'. Using tmaactive as a customer facing brand the Trust aims to promote 'a national agenda, delivered locally' and the action plan arising out of the strategy is now a key annex to the Trust's Annual Service Delivery Plan. The global pandemic has shone a light upon the importance of physical activity to the nation as a whole and the relevance of a proactive approach to encouraging the local community to be active, especially the currently inactive, has never been more important. Throughout the pandemic the Trust held on to existing resources to ensure the tmaactive150 programme could restart as customer confidence returns and the facilities gradually unlocked during 2021/22.

The severe financial challenge of COVID-19 has resulted in the exhaustion of funds previously identified for capital investment. The Board has approved a wish list of future potential capital investment opportunities however in 2021/22 very little capital was available for direct investment in facilities or services. The discrete Health & Wellbeing budget will continue to be utilised to help develop local initiatives and the Trust has established a range of local partners from the community and voluntary sector. Again, due to financial constraints in 2021/22 the Trust continued to suspend its Charity Funding designed to assist local voluntary and non-profit making organisations to help establish new physical activity programmes.

Fundraising

The Trustees are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in educating residents in the local community. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's stated mission and purpose.
- The charity will comply with Data Protection Legislation in relation to all personal data collected.
Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Achievement and performance

Charitable Activities

The Trust's Head Office has been established at 1-5 Martin Square, Larkfield, ME20 6QL, offices leased by TMBC to the Trust.

Five corporate objectives were considered by TMBC when a decision was taken to approve the formation of an independent Trust;

DELIVERY OF CORPORATE PRIORITIES

FINANCIAL SAVINGS

LONG TERM SUSTAINABILITY

ASSET MAINTENANCE

QUALITY OF SERVICE

In accordance with the Management Agreement a review of the Trust's performance against these objectives was completed in 2017/18 with negotiation leading to the revision of the Service Fee to a zero sum for the second five year tranche of the Management Agreement for 2018 - 2023. The negotiation also incorporated some amendments to key commercial clauses within the Management Agreement which have been subject to formal variation to contract. The COVID-19 pandemic led to a fundamental review of the sustainability of the Trust and the Service Fee from TMBC was varied to £700,000 in 2021/22.

The commercial clauses within the Management Agreement that forms the bedrock of the partnership remained suspended in 2021/22 where appropriate to allow full focus on the short to medium term sustainability of the Trust. The re-opening schedule include golf and outdoor swimming from 29 March 2021, indoor pools and gyms from 12 April 2021, group exercise and some indoor sports from 17 May 2021 and the ability to re-open all services from 19 July 2021. Progress was still severely restricted by social distancing, capacity levels and booking measures which were only fully relieved in October 2021 when the Coronavirus Job Retention Scheme ended, signalling a re-opening of some facilities that had been closed due to lack of economic viability such as crèche and catering services. Quality of service was not ignored throughout the re-opening in the sense that the Trust ran a very effective communications campaign with members and users of the facilities to help ensure business recovery was as strong as possible post-pandemic.

The key priorities identified below within the current Five Year Business Plan are used to highlight areas of progress however benchmarking performance against previous years remains a largely meaningless exercise for 2021/22.

During 2021/22 two major opportunities were realised by the Trust in accordance with Annual Service Delivery Plan objectives.

The Trust entered a 25 year lease and management agreement with Kings Hill Parish Council to operate Kings Hill Sports Park. The Sports Park is a high quality facility including a changing pavilion with café/bar, four grass football pitches, a full size floodlit 3G pitch and the development of tennis, netball, rugby and trim trail was completed very early in 2022.

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FOR THE YEAR ENDED 31 MARCH 2022

The Trust also took over the management and operation of Leybourne Lakes Country Park under a variation to the current management agreement with TMBC. The contract commenced on 1 November 2021 and runs co-terminous with the Trust's other leases until 31 October 2033. This exciting opportunity is underpinned by capital development utilising s106 funding of a lakeside café and water sports hub that opened in early July 2022. The Trust has TUPE transferred existing staff and manages the water sports and angling concessions through third party operators. The café adds a further dimension to the growing food and beverage operation managed directly by the Trust.

PARTICIPATION - Around 825,000 customer visits were recorded as the business recovery grew in 2021/22 compared to 285,000 in 2020/21 but this still represents only 67% of the 1.23million customer visits in 2019/20 immediately prior to the pandemic. This reduction in visitor numbers highlights the significant ongoing impact of the pandemic throughout the staged re-opening of the facilities and reflects the restricted access and customer caution about returning to activities in an indoor environment. Notable reduction in health and fitness membership continued to the end of 2021/22 when recovery was still only at about 80% of pre-pandemic levels whilst other activities, especially golf and Swim School showed very encouraging participation levels above 2019/20.

AWARENESS - The Trust worked hard as the facilities emerged from lockdown to maintain awareness of the profile of the brand through a presence, largely on social media sites, that sought to reassure customers about best practice adopted in terms of social distancing and hygiene measures at all the sites. Feedback from customers about this aspect of the operation was very positive. Online services that had been established to support customers were slowly reduced as customers reappeared in person at the facilities and online demand fell.

HEALTHY LIFESTYLES - The continuation of the Coronavirus Job Retention Scheme until 30 September resulted in continued suspension of the tactive150 health and wellbeing programme as many of the customers are clinically vulnerable and amongst the slowest to return to activity. The latter half of 2021/22 saw a gradual resumption of activities including walking football/netball, stretch and move classes, falls prevention and 'Here Come the Girls' activities. The last quarter saw over 1,000 attendances to the programme. The Trust collaborated with the NHS in the early part of 2021 to open a mass vaccination centre at the Angel Centre to serve residents and the wider population of West Kent in the fight against coronavirus. This use of facilities continued through until the early Autumn 2021 and provided up to 3,000 people a day with the Astra Zeneca vaccine on a 7 days per week basis.

CUSTOMER SATISFACTION - Feedback mechanisms were partly reintroduced in the second half of 2021/22. Mystery visits recommenced in Q3 and Q4 with an average score across all sites of 83.6% against a target of 80%. The Net Promoter Score was also started in Q3 as all facilities fully re-opened and the first quarter results showed an NPS of 63 which was 17 points above the industry average. The Trust did engage in a second national customer survey related to customer experience returning to the facilities after the pandemic and results were markedly above the national average in terms of customer confidence about the facility operation reflecting the hard work in communicating positively with the Trust's customer base.

SOCIAL INCLUSION - The Trust has continued to deliver concessionary use to Leisure Pass holders. Concessionary prices continue to be extended to people on low income, senior citizens, students, juniors and people living with disabilities. As described above the tactive150 programme recommenced and offers low cost access to vulnerable groups. The Trust was also successful with a submission to the KCC Reconnect programme for £31,784 towards encouraging families, especially those on low income to re-engage in activities following COVID-19.

CHARITABLE - Staff at the Trust were unable to support a local charity during 2021/22 and the Community Fund that normally distributes 2% of profits was not available. The Trust has identified the local charity, Spadework, to work with in 2022/23 to provide indirect support through sponsored events and other activities.

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FOR THE YEAR ENDED 31 MARCH 2022

ENVIRONMENTAL - TMBC has identified the extent of the carbon footprint of the leisure facilities as part of its overall assets and a focus is being placed upon Carbon Descent Plans, especially at the swimming pool sites to help meet TMBC's overall climate change targets. Current reductions in utility usage at Larkfield Leisure Centre following the installation of a new roof and air handling plant are around 12% and a further reduction of 6% is forecast by the installation of PV panels on the Sports Hall roof in 2022. The Trust has been involved in the development and proposed operation of the new café at Leybourne Lakes Country Park to a high environmental standard.

QUALITY - The Trust has an ongoing commitment to Quest, the national quality scheme for sport and leisure despite the pandemic and whilst the Quest scheme was effectively suspended the Trust did undertake the redesigned Quest Prime assessments in 2021/22 to serve as a measure of the efficacy of the operation during and post closure. Quest is being redesigned and relaunched in 2022 as part of the Moving Communities platform and the Trust will re-engage with the new scheme. The normal quarterly Health & Safety Committee chaired by the Chief Executive with retained external expert support and Trustee representation remained suspended during 2021/22 however the Trust did undertake a review of the external support and moved to utilise the industry based Right Directions as its retained advisors.

STAFF - During the periods of national lockdown the majority of staff (up to 390 at its peak) were furloughed under the Coronavirus Job Retention Scheme (CJRS). The Scheme which allowed the Trust to claim 80% of staff salaries was planned to end on 30 April 2021 and this was reflected in the 2021/22 approved budget. However, the Government announced a further extension to the scheme through to 30 September 2021. This allowed the Trust to continue to match furlough and flexible furlough arrangements with the gradual re-opening of facilities and a total claim of over £219,000 was made against the scheme in 2021/22. It also allowed the Trust to implement a pay award of 1%. No further COVID-19 related redundancies were made in 2021/22 and all permanent staff were returned to duty by 1 October 2021. Strong staff engagement was maintained throughout the year through regular email updates, Zoom meetings, YouTube posts and personal telephone calls as required.

On re-opening the facilities the Trust has experienced profound and ongoing recruitment issues in common with the national picture in the leisure and hospitality sectors. Staff turnover has increased significantly and the level of job applications has fallen. This has led the Board to reflect upon pay levels and adopt a revised approach to age-related National Minimum Wage and approve a 4% pay award at all levels in the Trust with front line roles in lifeguarding and catering being regraded further. Early indications suggest this has assisted but recruitment and selection remains a difficult area that can impact on provision of services.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Financial review

Financial position

The following Financial Statements reflect performance in the ninth year of the Trust and remain distorted in comparison to previous years by the ongoing impact of the COVID-19 global pandemic. The Government Road Map to recovery saw the gradual lifting of restrictions on opening from 12 April 2021 until 19 July 2021 when all facilities were allowed to re-open. However, the continuation of some restrictions and lower customer demand resulted in an incomplete business recovery and total customer throughput in 2021/22 at around two thirds of pre-pandemic levels. Overall income from trading was close to budget forecast at around £6.29m. A Service Fee from TMBC, grants and claims against the CJRS amounted to a further £1,148,014 and expenditure savings of just over £200,000 led to a trading surplus of £416,576 against a forecast deficit of £270,000.

Taking into account expected increased utilities costs the Board approved a budget for 2022/23 that forecasts a trading deficit of c£300,000 that will be borne from reserves. This reflects the ongoing uncertainty about key areas of the business, including health and fitness but more pertinently increased costs due to general and pay inflation.

It is impossible to ignore the significant financial impact on the Trust of the global coronavirus pandemic and now the challenge of rising utilities costs. However, the relationship with TMBC, along with careful stewardship of the Trust's own funds and use of Government schemes has allowed a stronger cash position at year end than anticipated. This overall position and commitment from TMBC places the Trust in a strong position compared to many other similar organisations in the UK that have not been able to rely on their own reserves and the commitment, goodwill and financial support of the local authority and shows the Trust has a challenging but sustainable future beyond the pandemic.

TONBRIDGE AND MALLING LEISURE TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Financial review

Reserves policy

The Trust's second Five Year Business Plan was approved as a Schedule to the Management Agreement between TMBC and the Trust and contains reference to Revenue and Capital Reserves.

Total Funds

Total funds held at 31 March 2022 show a deficit balance of £205,562 (2021: £751,138 deficit) of which £31,784 were restricted. The Board has designated funds as detailed below:

General Fund

The Trust has established a General Fund target, represented in terms of liquidity by net current assets, in excess of £500,000 in line with the objective in the initial Business Plan. This provides a level of security and sustainability reflective of the overall size of the organisation. Net current assets at 31 March 2022 were £475,937 (2021: £25,943 net current liabilities).

Currently the Trust holds £1,155,151 (2021: £805,377) in the General Fund before accounting for the pension deficit.

IT Replacement Fund

In 2016/17 the Trust reached agreement with TMBC to asset transfer the IT hardware for the rest of the contract period. This decision was approved by the Board and a lump sum of £200,000 was paid to the Trust. New IT hardware has been purchased and the balance is placed in a designated reserve to allow future replacement which currently holds £149,203 (2021: £149,485).

Telephone Replacement Fund

During the year, the Trust received £35,300 from TMBC in respect of the replacement costs of telephone hardware across the Trust which is expected to be required in the near future.

FRS 102 Pension Fund

Total unrestricted funds before accounting for the pension deficit held at the 31 March 2022 were £1,339,654. However, a pension deficit of £1,577,000 (2021: (£1,706,000)) has been included in the Financial Statements to comply with the provisions of FRS 102. This deficit represents the obligation to make future contributions, on behalf of employees, in accordance with the rates advised by the Pension Scheme Actuary. After accounting for the pension deficit of £1,577,000 (2021: £1,706,000) total funds show a deficit balance of £205,562 (2021: £751,138 deficit).

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the charitable company nor any of its Trustees held any funds as custodian Trustee.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Plans for future periods

It was anticipated that the Trust's third five year Business Plan for 1 April 2022 to 31 March 2027 would be drafted during the course of 2021/22 for approval by the Board and TMBC. However, the ongoing impact of the pandemic left TMBC unable to articulate its service objectives for the period including financial expectations around the new Service Fee to be implemented from 1 April 2023.

This largely involves a decision around the future of the Angel Centre in Tonbridge. The Trust had developed a proposal to extensively remodel the Angel Centre in liaison with Alliance Leisure Services. The proposal has been subject to a business case analysis and budget costing exercise and was presented to Tonbridge & Malling Borough Council for detailed consideration in 2019/20. Unfortunately, the pandemic halted all prospect of this project moving forward at that time. However, it remains a highly desirable investment opportunity in the view of the Trust and is now being revisited in a wider review of TMBC's Tonbridge town centre assets. Whilst Phase 1 of the consultant led review has identified the urgency of a decision in respect of the Angel Centre this has not to date moved any further forward. TMBC has highlighted the potential impact of local elections in May 2023 on any decision.

The Trust has established a regular meeting with TMBC to review the Service Fee and the key factors influencing agreement have been identified and will continue to be pursued concurrent to the critical considerations about the Angel Centre. The Trust has identified contract duration among a list of service delivery options with a view to securing an extension beyond the current lease term of 2033 as part of any Service Fee negotiation.

During 2022/23 the Trust will continue to establish sustainable operations at Leybourne Lakes Country Park and Kings Hill Sports Park including the catering element of the services. The Trust will seek to pursue any low level capital investment that may help to drive income across the Trust. Recovery of the health and fitness market will be a key focus of marketing and operational work streams. The Trust is also committed to the implementation of workplace systems software to streamline core HR and recruitment practice and introduce a time and attendance module to eliminate the use of paper timesheet systems producing greater efficiency and cost savings.

In 2022/23 the Trust will enter negotiations with Kings Hill Parish Council in respect of the Management Fee for onward management of the Sports Park as the Trust assumes future financial risk from 2023/24.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company, a company limited by guarantee, was established under a Memorandum of Association which formed the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and appointment of new Trustees

The current Board consists of 10 Trustees of which 7 are Community Trustees. Recruitment of Community Trustees is subject to general advertisement and approval of the Board in accordance with the Articles of Association. Recruitment will highlight relevant skills and experience that are deemed appropriate to complement the existing profile of Trustees. New Community Trustees will be required to live and/or work within the Borough to ensure truly local interest and representation. The appointment of the Staff Trustee will be at the approval of the Board and through a transparent process that allows consideration of any permanently contracted employee of the Trust whether full or part time.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

In addition to the 7 Community Trustees and the Staff Trustee, the Leader of Tonbridge & Malling Borough Council nominates two Members to the Board making up the full complement of 10. At 31 March 2022 there were three vacancies on the Board. According to the Articles of Association three Trustees retired by rotation at the Annual General Meeting held in December 2021. Two of the three retirees, Alan Nicholl and Simon White were unanimously re-elected whilst the third retiree, Stewart Rolls indicated that he did not wish to seek re-election and resigned from the Board. Louise Forde and Isabel Garden resigned during the year as a consequence of ceasing to be a resident in the Borough. The Chair, Alan Nicholl was re-elected unopposed and Simon White was re-elected unopposed to the role of Vice Chair.

Induction and training of new Trustees

Induction of new Trustees is undertaken using the original Induction Pack prepared by WS Law that outlines the duties and responsibilities of a Director and Trustee. WS Law continue to be retained by the Trust and can deliver the training directly if felt appropriate.

The Chief Executive will provide a comprehensive introduction to the facilities, background to the Trust, business, operational and financial plans. In addition the Chief Executive will provide a detailed overview of the suite of documents that form the agreement between the Trust and Tonbridge & Malling Borough Council.

Remuneration of Key Management Personnel

Key management personnel remuneration was reviewed by the Board in 2018/19 and Executive Management posts were re-graded. In 2021 an approved cost of living award of 1% to all staff including key management personnel was awarded.

Board Meetings

The Board had 4 scheduled meetings in 2021/22. The Annual General Meeting was held in December 2021. The Board received detailed quarterly updates at Board meetings in respect of the financial position, business recovery planning, staff and customer related issues. The Board also met in place of the Remuneration Sub-Committee once in 2021/22 to consider the pay award for 2021/22. It is normally the function of this sub-committee to consider matters related to pay, pensions and other human resource strategies and issues and make recommendations to the Board. One EGM was held to approve the audited Financial Statements for the year ended 31 March 2021 together with the Report of the Trustees. Trustees would normally represent the Trust, by nomination, on site-based Customer Panels and at the quarterly Health & Safety Committee. These meetings did not take place due to COVID-19.

Risk management

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.

Immediately prior to the pandemic the Board approved a revised approach to corporate risk including the development of a risk schedule presented in draft form. Whilst the detailed risk statements were not developed during the pandemic the schedule forms a draft Risk Register adopted by the Trust. Each of the identified risks is rated based upon likelihood and severity and prioritised as a consequence. Risk Managers are identified. The Register includes corporate risk, business continuity issues and high level operational risks. It is intended in 2022/23 to identify a Trustee as Risk Champion and develop the individual risk statements to form a comprehensive Risk Register that is reviewed at least annually.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08447331 (England and Wales)

Registered Charity number
1154831

Registered office
1-5 Martin Square
Larkfield
AYLESFORD
Kent
ME20 6QL

Trustees
A Nicholl
I Garden (resigned 7.3.22)
N Salisbury
S King
M Davis
K Bennett
D Scott
L Forde (resigned 6.12.21)
S Rolls (resigned 6.12.21)
T Bishop
S White
P Philbey (appointed 6.6.22)
V Ratnam (appointed 6.6.22)

Company Secretary
D Sayle

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

Solicitors
Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

National Westminster
West Malling Branch
43, Swan Street
West Malling
Kent
ME19 6HF

Company trading name

tmactive

Executive management team

M Guyton - Chief Executive
D Sayle - Head of Finance
K Brimsted - Head of Operations
G Littlejohn - Head of Operations
W Parker - Head of Sales and Marketing
I Mansfield - Head of Facilities and Compliance
H Rocks - Customer Experience Manager
S Coppin-Derby - Human Resources Manager
E Alexander – Catering Manager

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Tonbridge and Malling Leisure Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Report of the Trustees, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 3 October 2022 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'A Nicholl', written over a dotted line.

A Nicholl - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TONBRIDGE AND MALLING LEISURE TRUST

Opinion

We have audited the financial statements of Tonbridge and Malling Leisure Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TONBRIDGE AND MALLING LEISURE TRUST

Our responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charitable Company, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 3 October 2022

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	-	219,280	219,280	1,750,321
Charitable activities	4					
Operation of leisure/golf centres		7,192,172	-	31,784	7,223,956	3,160,421
Investment income	3	<u>1,159</u>	<u>-</u>	<u>-</u>	<u>1,159</u>	<u>394</u>
Total		7,193,331	-	251,064	7,444,395	4,911,136
EXPENDITURE ON Charitable activities	5					
Operation of leisure/golf centres		<u>6,808,539</u>	<u>187,000</u>	<u>219,280</u>	<u>7,214,819</u>	<u>5,647,560</u>
NET INCOME/(EXPENDITURE)		384,792	(187,000)	31,784	229,576	(736,424)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>316,000</u>	<u>-</u>	<u>316,000</u>	<u>(865,000)</u>
Net movement in funds		384,792	129,000	31,784	545,576	(1,601,424)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>954,862</u>	<u>(1,706,000)</u>	<u>-</u>	<u>(751,138)</u>	<u>850,286</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,339,654</u>	<u>(1,577,000)</u>	<u>31,784</u>	<u>(205,562)</u>	<u>(751,138)</u>

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST (REGISTERED NUMBER: 08447331)
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 MARCH 2022

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS						
Tangible assets	11	895,501	-	-	895,501	980,805
CURRENT ASSETS						
Stocks	12	80,757	-	-	80,757	65,599
Debtors	13	405,089	-	-	405,089	296,468
Investments	14	2,579	-	-	2,579	2,577
Cash at bank and in hand		<u>1,210,856</u>	<u>-</u>	<u>31,784</u>	<u>1,242,640</u>	<u>487,536</u>
		1,699,281	-	31,784	1,731,065	852,180
CREDITORS						
Amounts falling due within one year	15	<u>(1,255,128)</u>	<u>-</u>	<u>-</u>	<u>(1,255,128)</u>	<u>(878,123)</u>
NET CURRENT ASSETS		<u>444,153</u>	<u>-</u>	<u>31,784</u>	<u>475,937</u>	<u>(25,943)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,339,654</u>	<u>-</u>	<u>31,784</u>	<u>1,371,438</u>	<u>954,862</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>1,339,654</u>	<u>-</u>	<u>31,784</u>	<u>1,371,438</u>	<u>954,862</u>
PENSION LIABILITY	18	-	1,577,000	-	1,577,000	1,706,000
FUNDS	17					
Unrestricted funds					(237,346)	(751,138)
Restricted funds					<u>31,784</u>	<u>-</u>
TOTAL FUNDS					<u>(205,562)</u>	<u>(751,138)</u>
FUNDS EXCLUDING PENSION LIABILITY					<u>1,371,438</u>	<u>954,862</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 3 October 2022 and were signed on its behalf by:



A Nicholl - Trustee

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>780,369</u>	<u>(457,927)</u>
Net cash provided by/(used in) operating activities		<u>780,369</u>	<u>(457,927)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(36,902)	-
Sale of tangible fixed assets		10,480	-
95 day deposit account investment		(2)	(9)
Interest received		<u>1,159</u>	<u>394</u>
Net cash (used in)/provided by investing activities		<u>(25,265)</u>	<u>385</u>
Change in cash and cash equivalents in the reporting period		755,104	(457,542)
Cash and cash equivalents at the beginning of the reporting period		<u>487,536</u>	<u>945,078</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,242,640</u></u>	<u><u>487,536</u></u>

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

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

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

	31.3.22 £	31.3.21 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	229,576	(736,424)
Adjustments for:		
Depreciation charges	111,726	117,934
Interest received	(1,159)	(394)
(Increase)/decrease in stocks	(15,158)	28
(Increase)/decrease in debtors	(108,621)	76,988
Increase in creditors	377,005	13,941
Difference between pension charge and cash contributions	<u>187,000</u>	<u>70,000</u>
Net cash provided by/(used in) operations	<u><u>780,369</u></u>	<u><u>(457,927)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	<u>487,536</u>	<u>755,104</u>	<u>1,242,640</u>
	<u>487,536</u>	<u>755,104</u>	<u>1,242,640</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>2,577</u>	<u>2</u>	<u>2,579</u>
	<u>2,577</u>	<u>2</u>	<u>2,579</u>
Total	<u><u>490,113</u></u>	<u><u>755,106</u></u>	<u><u>1,245,219</u></u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are prepared in sterling which is the functional currency of the charity.

Going concern

The COVID-19 pandemic continued to have an impact upon the Charitable Company during the year ended 31 March 2022. From a starting point of all facilities being compulsorily closed the year progressed with the phased reopening of all areas of operation including areas considered marginal in terms of contribution and those most affected by continuing social distancing rules.

The Charitable Company was able to largely offset the resultant loss of income compared to pre-pandemic levels by continuing to take advantage of the Coronavirus Job Retention Scheme (CJRS) until its closure in September 2021, the financial support negotiated with Tonbridge & Malling Borough Council in the form of a management fee and claims made against the various local support grants offered by central government.

Although, not complete, a relatively strong recovery within core operational areas, coupled with the additional income streams detailed in the previous paragraph saw the Charitable Company to a healthy year end reserves position.

A combination of the pandemic aftermath and other widely publicised global geopolitical factors have prompted rarely seen increases in energy prices and inflation rates which together are likely to cause a nationwide cost of living crisis throughout the 2022/23 financial year and possibly beyond.

The full extent of the impact of these issues upon the Charitable Company are unknown, but in response to these matters, the entity has in place the following mitigations:

- > A utility tariff protection agreement with TMBC, by which the Charitable Company is protected against increases above inflation in the price of gas and electricity.
- > In respect of the tariff protection agreement, the Charitable Company have successfully negotiated an interim payment arrangement with TMBC in order to protect cash flow throughout the year.
- > The Executive Management Team continue to work with TMBC via regular strategic level meetings on a financially transparent basis to ensure the sustainable future of the Charitable Company.
- > Arrangements are in place for investment by TMBC in energy savings schemes at operational sites.
- > It is considered that the demography of the Charitable Company's customer base will reduce the worst of the impact of the current cost of living crisis. However, the Board will continue to monitor the position and support targeted offers in order to minimise any reduction in customer levels.

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

1. ACCOUNTING POLICIES - continued

Going concern - continued

The Charitable Company has produced forecasts which are based on the original forecasts for the next 24 months which have been adjusted for estimated potential increases in energy prices and costs generally. These forecasts indicate that the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future. However, in the current climate, it is extremely difficult to arrive at reliable expectations on which to base assumptions.

The Board has determined that the actions taken and its tariff protection arrangement are sufficient, and has therefore prepared the financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider the key sources of estimation uncertainty; depreciation and amortisation charges for assets included in the Statement of Financial Position based on the estimated useful economic life of the assets. Deferred and accrued income is recorded over the period for which the memberships relate.

Income

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

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

During the year the Charitable Company received the following revenue based grants:

- Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received has been included within donations (note 2).

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

1. ACCOUNTING POLICIES - continued

Expenditure

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

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites. Charitable activities are split into leisure activities, which are those costs incurred directly in the running of each of the sites, and support costs which are those costs incurred directly in support of expenditure on the objects of the charitable company. Governance costs are those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

Fixed assets costing in excess of £2,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line over 5 to 10 years

Plant and machinery - straight line between 3 to 10 years

Improvements to leasehold property - SL over remaining term of lease (31/10/2033)

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.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds or designated funds, which are set aside by the Trustees for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

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

1. ACCOUNTING POLICIES - continued

Pensions

The charitable company operates a pension scheme through Kent County Council providing benefits based previously on final pensionable pay but amended from 1 April 2014 to career average revalued earnings (CARE). The assets of the scheme are held separately in an independently administered fund. Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the charitable company in respect of all transferring staff. Employees who joined the charitable company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the charitable company is liable for. Accordingly, the financial statements for the year ended 31 March 2022 show a pension liability of £1,577,000 as calculated by the scheme actuary.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust 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 introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the 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. Actuarial remeasurement gains and losses are recognised immediately in other recognised gains and losses.

In addition, the charitable company operates a defined contributions pension scheme for new staff, the cost of which is charged to the Statement of Financial Activities as incurred.

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

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

1. ACCOUNTING POLICIES - continued

Financial instruments

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, 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 offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed, to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Inventories are also assessed for impairment at each reporting date. Each item of inventory is compared to the last sold date and an impairment loss recognised on a percentage basis in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit and loss.

Service concessions arrangements

The charitable company has a Service Contract with Tonbridge & Malling Borough Council for the operation of leisure centres and golf courses and a Country Park owned by the Council to which it has lease and management service contracts. Tonbridge & Malling Borough Council has rights under the contracts to specify the activities offered by the centres and the minimum standards for the services to be provided. A similar Service Contract is in place with Kings Hill Parish Council for the operation of its Sports Park.

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Property, plant and equipment

The buildings and plant at the facilities are leased to the charitable company as part of the overall contractual relationship with Tonbridge & Malling Borough Council and Kings Hill Parish Council but the respective Councils maintain ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the facilities, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet. Improvements to property funded by the Trust are shown in the balance sheet as fixed assets and are depreciated over the term of the lease.

2. DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Job retention scheme	<u>219,280</u>	<u>1,750,321</u>

3. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Deposit account interest	<u>1,159</u>	<u>394</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.22	31.3.21
		£	£
Leisure centre income	Operation of leisure/golf centres	6,287,859	1,889,981
Insurance claim	Operation of leisure/golf centres	7,363	-
TMBC reimbursement	Operation of leisure/golf centres	-	840,724
Management fee	Operation of leisure/golf centres	700,000	300,000
Grants	Operation of leisure/golf centres	<u>228,734</u>	<u>129,716</u>
		<u>7,223,956</u>	<u>3,160,421</u>

Grants received, included in the above, are as follows:

	31.3.22	31.3.21
	£	£
TMBC COVID-19 grant	152,549	91,712
TMBC Utilities protection	-	38,004
KHPC Deficit Contribution	9,101	-
KCC Reconnect grant	31,784	-
TMBC telephone replacement	<u>35,300</u>	<u>-</u>
	<u>228,734</u>	<u>129,716</u>

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Operation of leisure/golf centres	<u>5,593,913</u>	<u>1,620,906</u>	<u>7,214,819</u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Operation of leisure/golf centres	<u>1,587,932</u>	<u>32,974</u>	<u>1,620,906</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.22 £	31.3.21 £
Audit Fee	9,730	10,750
Other non-audit services	23,244	13,766
Depreciation - owned assets	<u>111,726</u>	<u>117,934</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the charitable company in respect of their role as Trustees. The value of the Trustees' remuneration during the period was as follows:

K Bennett (staff Trustee) £17,407 (2021: £16,407)

Trustees' expenses

During the period, reimbursed expenses amounting to £nil (2021: £nil) were paid to Trustees.

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

9. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	3,854,721	3,530,629
Social security costs	254,296	209,963
Other pension costs	423,389	304,968
Staff restructuring costs	-	39,837
	<u>4,532,406</u>	<u>4,076,797</u>

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

	31.3.22	31.3.21
Senior management	8	6
Leisure activities	336	355
Support	9	9
	<u>353</u>	<u>370</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.22	31.3.21
£60,001 - £70,000	1	1
£110,001 - £120,000	1	1
	<u>2</u>	<u>2</u>

The total amount of employee benefits received by key management personnel (KMP) is £618,404 (2021: £515,441). Those considered to be KMP are listed on page 14 of the Trustees report.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS102 Pension £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	-	1,750,321	1,750,321
Charitable activities				
Operation of leisure/golf centres	3,160,421	-	-	3,160,421
Investment income	<u>394</u>	-	-	<u>394</u>
Total	3,160,815	-	1,750,321	4,911,136

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	FRS102 Pension £	Restricted funds £	Total funds £
EXPENDITURE ON				
Charitable activities				
Operation of leisure/golf centres	3,827,239	70,000	1,750,321	5,647,560
NET INCOME/(EXPENDITURE)	(666,424)	(70,000)	-	(736,424)
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(865,000)	-	(865,000)
Net movement in funds	(666,424)	(935,000)	-	(1,601,424)
RECONCILIATION OF FUNDS				
Total funds brought forward	1,621,286	(771,000)	-	850,286
TOTAL FUNDS CARRIED FORWARD	<u>954,862</u>	<u>(1,706,000)</u>	<u>-</u>	<u>(751,138)</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Office equipment £	Totals £
COST				
At 1 April 2021	1,042,527	232,563	66,273	1,341,363
Additions	6,018	26,963	3,921	36,902
Disposals	-	(14,455)	-	(14,455)
At 31 March 2022	<u>1,048,545</u>	<u>245,071</u>	<u>70,194</u>	<u>1,363,810</u>
DEPRECIATION				
At 1 April 2021	196,929	114,843	48,786	360,558
Charge for year	69,958	32,902	8,866	111,726
Eliminated on disposal	-	(3,975)	-	(3,975)
At 31 March 2022	<u>266,887</u>	<u>143,770</u>	<u>57,652</u>	<u>468,309</u>
NET BOOK VALUE				
At 31 March 2022	<u>781,658</u>	<u>101,301</u>	<u>12,542</u>	<u>895,501</u>
At 31 March 2021	<u>845,598</u>	<u>117,720</u>	<u>17,487</u>	<u>980,805</u>

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

12. STOCKS

	31.3.22	31.3.21
	£	£
Stocks	<u>80,757</u>	<u>65,599</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	72,970	6,120
Other debtors	176,717	7,299
Prepayments and accrued income	<u>155,402</u>	<u>283,049</u>
	<u>405,089</u>	<u>296,468</u>

14. CURRENT ASSET INVESTMENTS

	31.3.22	31.3.21
	£	£
Unlisted investments	<u>2,579</u>	<u>2,577</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Payments on account	-	144,361
Trade creditors	264,096	62,768
Social security and other taxes	79,703	50,782
VAT	65,622	15,348
Other creditors	160,584	50,911
Deferred income	449,357	296,961
Accrued expenses	<u>235,766</u>	<u>256,992</u>
	<u>1,255,128</u>	<u>878,123</u>

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

16. LEASING AGREEMENTS

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

	31.3.22	31.3.21
	£	£
Within one year	52,745	54,231
Between one and five years	<u>22,354</u>	<u>40,099</u>
	<u>75,099</u>	<u>94,330</u>

The charitable company holds a lease of £35,000 per annum for office rental which ends 31 March 2023, however this lease can be cancelled with 12 months notice.

17. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	805,377	349,774	1,155,151
IT Replacement Fund	149,485	(282)	149,203
FRS102 Pension	(1,706,000)	129,000	(1,577,000)
Telephone replacement	<u>-</u>	<u>35,300</u>	<u>35,300</u>
	(751,138)	513,792	(237,346)
Restricted funds			
KCC Reconnect	<u>-</u>	<u>31,784</u>	<u>31,784</u>
TOTAL FUNDS	<u>(751,138)</u>	<u>545,576</u>	<u>(205,562)</u>

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,158,031	(6,808,257)	-	349,774
IT Replacement Fund	-	(282)	-	(282)
FRS102 Pension	-	(187,000)	316,000	129,000
Telephone replacement	35,300	-	-	35,300
	7,193,331	(6,995,539)	316,000	513,792
Restricted funds				
Coronavirus job retention scheme	219,280	(219,280)	-	-
KCC Reconnect	31,784	-	-	31,784
	251,064	(219,280)	-	31,784
TOTAL FUNDS	<u>7,444,395</u>	<u>(7,214,819)</u>	<u>316,000</u>	<u>545,576</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	1,471,801	(666,424)	805,377
IT Replacement Fund	149,485	-	149,485
FRS102 Pension	(771,000)	(935,000)	(1,706,000)
	850,286	(1,601,424)	(751,138)
TOTAL FUNDS	<u>850,286</u>	<u>(1,601,424)</u>	<u>(751,138)</u>

TONBRIDGE AND MALLING LEISURE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,160,815	(3,827,239)	-	(666,424)
FRS102 Pension	-	(70,000)	(865,000)	(935,000)
	3,160,815	(3,897,239)	(865,000)	(1,601,424)
Restricted funds				
Coronavirus job retention scheme	1,750,321	(1,750,321)	-	-
TOTAL FUNDS	<u>4,911,136</u>	<u>(5,647,560)</u>	<u>(865,000)</u>	<u>(1,601,424)</u>

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

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	1,471,801	(316,650)	1,155,151
IT Replacement Fund	149,485	(282)	149,203
FRS102 Pension	(771,000)	(806,000)	(1,577,000)
Telephone replacement	-	35,300	35,300
	850,286	(1,087,632)	(237,346)
Restricted funds			
KCC Reconnect	-	31,784	31,784
TOTAL FUNDS	<u>850,286</u>	<u>(1,055,848)</u>	<u>(205,562)</u>

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	10,318,846	(10,635,496)	-	(316,650)
IT Replacement Fund	-	(282)	-	(282)
FRS102 Pension	-	(257,000)	(549,000)	(806,000)
Telephone replacement	35,300	-	-	35,300
	10,354,146	(10,892,778)	(549,000)	(1,087,632)
Restricted funds				
Coronavirus job retention scheme	1,969,601	(1,969,601)	-	-
KCC Reconnect	31,784	-	-	31,784
	2,001,385	(1,969,601)	-	31,784
TOTAL FUNDS	12,355,531	(12,862,379)	(549,000)	(1,055,848)

IT Replacement Fund

During the year 31 March 2017 an amount of £200,000 was received from TMBC in respect of the replacement costs of IT equipment. Unspent funds at 31 March 2022 were £149,203 (2021: £149,485).

Telephone System Replacement Fund

During the year 31 March 2022 an amount of £35,300 was received from TMBC in respect of the replacement costs of the telephone system. Unspent funds at 31 March 2022 were £35,300.

KCC Reconnect Fund

During the year 31 March 2022 an amount of £31,784 was received from KCC to deliver a programme of activities for children and young people through to August 2022. The aim of the grant is to help reconnect children and young people with activities they missed during the COVID-19 pandemic.

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

18. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined benefit pension scheme for some employees administered by Kent County Council, the administering authority to the Kent County Council Pension Fund. The charitable company has admitted body status to the Kent County Council Pension Fund. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the full actuarial valuation of the fund carried out by the actuary as at 31 March 2022.

Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the charitable company in respect of pension contributions of all transferring staff. Employees who joined the charitable company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the charitable company is liable for. Accordingly, the financial statements for the year ended 31 March 2022 show a pension liability of £1,577,000 (2021: £1,706,000).

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Present value of funded obligations	(3,083,000)	(3,084,000)
Fair value of plan assets	<u>1,506,000</u>	<u>1,378,000</u>
	(1,577,000)	(1,706,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(1,577,000)</u>	<u>(1,706,000)</u>
Net liability	<u>(1,577,000)</u>	<u>(1,706,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Current service cost	223,000	112,000
Net interest from net defined benefit asset/liability	34,000	17,000
Administrative expenses	<u>1,000</u>	<u>1,000</u>
	<u>258,000</u>	<u>130,000</u>
Actual return on plan assets	<u>29,000</u>	<u>308,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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18. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Opening defined benefit obligation	3,084,000	1,758,000
Current service cost	223,000	112,000
Contributions by scheme participants	27,000	24,000
Interest cost	63,000	42,000
Remeasurements:		
Experience loss/(gain) on defined benefit obligation	9,000	(25,000)
Actuarial (gains)/losses from changes in demographic assumptions	-	(18,000)
Actuarial (gains)/losses from changes in financial assumptions	(323,000)	1,191,000
	<u>3,083,000</u>	<u>3,084,000</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Opening fair value of scheme assets	1,378,000	987,000
Interest on assets	(1,000)	(1,000)
Contributions by employer	71,000	60,000
Contributions by scheme participants	27,000	24,000
Expected return	29,000	25,000
Return on plan assets (excluding interest income)	<u>2,000</u>	<u>283,000</u>
	<u>1,506,000</u>	<u>1,378,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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18. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	(9,000)	18,000
Actuarial (gains)/losses from changes in financial assumptions	323,000	(1,191,000)
Experience gain/loss on defined benefit obligation		25,000
Return on plan assets (excluding interest income)	2,000	283,000
	<u>316,000</u>	<u>(865,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.22	31.3.21
Equities	64%	65%
Gilts	1%	1%
Other Bonds	14%	12%
Property	12%	10%
Cash	2%	5%
Absolute Return Fund	7%	7%
	<u>100%</u>	<u>100%</u>

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

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,966,000	3,083,000	3,205,000
Projected service cost	185,000	194,000	204,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,088,000	3,083,000	3,078,000
Projected service service cost	195,000	194,000	194,000
Adjustment to pension increases and deferred revaluation	+0.1%	+0.0%	-0.1%
Present value of total obligation	3,199,000	3,083,000	2,971,00
Projected service cost	203,000	194,000	185,000
Adjusted to life expectancy assumptions	1 Year	None	-1 Year
Present value of total obligation	3,187,000	3,083,000	2,982,000
Projected service cost	202,000	194,000	187,000

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.22	31.3.21
Discount rate	2.55%	2.05%
Future salary increases	4.05%	3.80%
Future pension increases	3.05%	2.80%

Pension supporting information

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet - both in respect of any outstanding employer contributions and any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc.) but crucially differ in one key respect - that of the discount factor used to arrive at net present value of any surplus or deficit. Whereas the Ongoing Basis uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. The volatility of the discount rate assumption can lead to higher liabilities being shown than if the liabilities were calculated by the Ongoing Basis.

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

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LPGS, the last triennial actuarial valuation was carried out in 2019 and new rates set for 3 years from April 2020.

19. RELATED PARTY DISCLOSURES

During the year there were the following transactions with related parties:

The Trust made sales of £2,159 (2021: £3,551) to Tonbridge Juddians Rugby Football Club, where Mark Davis is vice-president. There were no amounts due to the Trust at 31 March 2022 (2021: £nil).

20. LEGAL STATUS

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.

TONBRIDGE AND MALLING LEISURE TRUST

England & Wales - Charity number 1154831

Accounts

REGISTERED COMPANY NUMBER: 08447331 (England and Wales)
REGISTERED CHARITY NUMBER: 1154831

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
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McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

TONBRIDGE AND MALLING LEISURE TRUST
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TONBRIDGE AND MALLING LEISURE TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charitable Company are:

- to provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or for the public at large with the object of improving their conditions of life, and /or;
- to promote community participation in healthy recreation activities;
- to provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities;
- to develop the capacity and skills for those members of the community who are socially and/or economically disadvantaged in such a way as to enable them to identify, and help meet, their needs and to participate more fully in society;
- to pursue such other charitable purposes consistent with the above as the Trustees in their absolute discretion shall determine.

Public benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trust has been operating for eight years and can clearly demonstrate success against 'The Hallmarks of an Effective Charity' outlined in the Charity Commission guidance of that name.

- Clear about its purpose and direction:

The Trust has established a Vision, Mission Statement and Values outlined in the second 5 Year Business Plan. Taking the national agenda of ukactive, the representative UK body and delivering that agenda locally the Trust's Vision of 'more people, more active, more often' mirrors the objects and powers of the Trust and the growing public recognition of the benefits of a healthy lifestyle.

The Mission Statement develops the manner in which the Vision will be delivered declaring 'Our mission is to provide a clean, safe and happy leisure experience on an inclusive basis to residents and visitors to the Borough of Tonbridge and Malling for the benefit of their health and social wellbeing. We will achieve this in a sustainable way through excellence in our people, policies and practice.'

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REPORT OF THE TRUSTEES
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Public benefit – continued

- Clear about its purpose and direction - continued:

The Vision and Mission Statement is underpinned by nine core values as follows;

- Leadership
- Integrity
- Innovation
- Continuous Improvement
- Accessibility
- Customer Focus
- Teamwork
- Professionalism
- Environmental awareness

The values are further defined in the second 5 Year Business Plan and endorsed by the Board of Trustees.

- A strong Board:

Selection and recruitment of the Trust Board is planned and executed with a clear vision to provide a range of interested, articulate and passionate volunteers who bring a range of professional disciplines and experience to the boardroom. The Board comprises 8 Community Trustees with a blend of professional experience including financial, IT, commercial property, policy development, HR, economic development, management consultancy and business entrepreneurship. This is complemented by the appointment of two TMBC Members and a Staff representative.

Over the past twelve months despite the challenge of moving meetings online due to COVID-19 the Board has continued to promote the aims and objectives of the Trust and provided strong, challenging support to the Executive Management Team. All of the Trustees are residents of the Borough with the exception of the Staff Trustee.

Critical issues throughout the year related to the impact of COVID-19 have been at the forefront of Board matters. These and a number of other strategic issues have been debated at Board level with clear evidence of the benefit of the experience and empathy of the Trustees. Consensus on key issues has been reached with unanimity and where occasion has demanded the Board has delegated authority to act in the Chair and Chief Executive as appropriate.

- Financially sound and prudent:

Sustainability is a key Business Plan objective of the Trust. This was recognised by TMBC in its key priorities at the point of transfer of the leisure facilities to the Trust. The 20 year Management Agreement was supported by an initial 5 year funding agreement by TMBC. The stated objective within the initial Business Plan was to achieve a revenue reserve of £500,000 as soon as possible and this was achieved in 2016.

The advent of the COVID-19 global pandemic has been a severe test in respect of the sustainability of the Trust. The prudent approach to the Trust's financial position throughout the life of the Trust helped to ensure the immediate threat of the pandemic at the start of the year was able to be mitigated by the strong cash position held by the Trust.

A strong and supportive relationship with TMBC allowed negotiations that have ensured a sustainable position throughout the year despite the significant reduction in the year end cash position.

The objective within the 5 year Business Plan to hold a revenue reserve represented by a net current asset position of not less than £500,000 remains the position to which the Trust expects to rebuild.

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REPORT OF THE TRUSTEES
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Public benefit - continued

-Fit for purpose:

The Executive Management Team was restructured during 2018/19 and created a wider Executive Management Team (EMT) led by the Chief Executive. This now comprises the Head of Finance, Head of Operations (North), Head of Operations (South), Head of Facilities and Compliance and Head of Sales and Marketing. In 2020/21 the Customer Experience Manager and Human Resources Manager joined the EMT given the vital function of maintaining contact with customers and staff, especially during the three national lockdowns. The input of these two members of the team was vital to many decisions made during this period. It is intended going forward to retain the EMT as now constituted. The EMT provides a stable management approach consistent with the initial strategic and operational aims outlined in agreement with TMBC as part of the process of transfer to the Trust.

Operation of the Trust is assured through an existing but evolving suite of policies and procedures contained in an Integrated Management System. Roles and responsibilities in terms of governance and executive management are based upon guidance from the Association of Chief Executives of Voluntary Organisations (ACEVO). Key policies affecting health and safety and employment issues are also subject to Board approval.

Overall achievement of the objectives of the Trust is managed through an approved 5 Year Business Plan and an Annual Service Delivery Plan that is reviewed on a quarterly basis and reported to TMBC.

- Learning and improving:

The Trust is committed to understanding the sector in which it operates and contributing on a local level to a national agenda. As a consequence the Trust is an active member of Community Leisure UK the principal trade organisation for the sector with general and regional meetings attended by the Chief Executive. In addition the Executive Management Team is engaged with CIMSPA, the Chartered Institute representing the leisure industry.

The Trust is committed to wide sector engagement in the delivery of its objectives and utilises the National Benchmarking Service and Quest, the national quality scheme for sport and leisure to ensure industry best practice and review is at the forefront of future planning.

The Trust has a training plan to ensure the continuing professional development of staff at all levels of the service. Expenditure on training was suspended during the year with the exception of maintaining statutory qualifications.

- Accountable and transparent

The work of the Trust sits entirely in the public domain and under normal circumstances through its Customer Charter, panels, surveys and feedback mechanisms it strives to engage transparently with all interested parties. Due to COVID-19 these feedback mechanisms have largely been suspended.

Again under normal circumstances, as a key stakeholder the Trust reports to TMBC quarterly on a formal recorded basis against the approved Annual Service Delivery Plan. This liaison has been replaced for the majority of the year with weekly meetings with the Director of Street Scene, Leisure and Technical, the Director of Finance and other senior staff at TMBC to discuss financial and operational issues related to the pandemic.

Disabled persons

The Charitable Company's policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

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REPORT OF THE TRUSTEES
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Investments

The Trust is committed to investment in services that offer social return and has a Health & Wellbeing Strategy that aims to deliver the vision of the Trust to make 'more people, more active, more often'. Using tmaactive as a customer facing brand the Trust aims to promote 'a national agenda, delivered locally' and the action plan arising out of the strategy is now a key annex to the Trust's Annual Service Delivery Plan. The global pandemic has shone a light upon the importance of physical activity to the nation as a whole and the relevance of a proactive approach to encouraging the local community to be active, especially the currently inactive, has never been more important. Throughout the pandemic the Trust has been keen to hold on to existing resources to ensure the tmaactive150 programme can restart as customer confidence returns and the facilities gradually unlock during 2021/22. The severe financial challenge of COVID-19 has resulted in the exhaustion of funds previously identified for capital investment. The Board has approved a wish list of future potential capital investment opportunities however in 2020/21 no capital was available for direct investment in facilities or services. The discrete Health & Wellbeing budget will continue to be utilised to help develop local initiatives and the Trust has established a range of local partners from the community and voluntary sector. In 2020/21 the Trust suspended its Charity Funding designed to assist local voluntary and non-profit making organisations to help establish new physical activity programmes.

Fundraising

The Trustees are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in educating residents in the local community. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's stated mission and purpose.
- The charity will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

Achievement and performance

Charitable Activities

The Trust's Head Office has been established at 1-5 Martin Square, Larkfield, ME20 6QL, offices leased by TMBC to the Trust.

Five corporate objectives were considered by TMBC when a decision was taken to approve the formation of an independent Trust;

DELIVERY OF CORPORATE PRIORITIES

FINANCIAL SAVINGS

LONG TERM SUSTAINABILITY

ASSET MAINTENANCE

QUALITY OF SERVICE

In accordance with the Management Agreement a review of the Trust's performance against these objectives was completed in 2017/18 with negotiation leading to the revision of the Service Fee to a zero sum for the second five year tranche of the Management Agreement from 2018 - 2023. The negotiation also incorporated some amendments to key commercial clauses within the Management Agreement which have been subject to formal variation to contract. The COVID-19 pandemic led to a fundamental review of the sustainability of the Trust in 2020/21 and the total level of support from TMBC including the Government funding through the National Leisure Recovery Fund amounted to £1.2m.

The commercial clauses within the Management Agreement that forms the bedrock of the partnership were suspended where appropriate to allow full focus on the short to medium term sustainability of the Trust. The national lockdown of the facilities did allow progress in respect of some major maintenance projects including the completion of the leisure pool replacement roof at Larkfield Leisure Centre and the refurbishment of the Sports Hall floor at the Angel Centre. Quality of service was not ignored in the sense that the Trust ran a very effective communications campaign with members and users of the facilities to help ensure that business recovery is as strong as possible post-pandemic.

The key priorities identified below within the current Five Year Business Plan are usually used to highlight areas of progress. Benchmarking performance against previous years is a largely meaningless exercise for 2020/21 however some information is shown below.

PARTICIPATION - Around 285,000 customer visits were recorded in 2020/21 compared to 1.23million in 2019/20. This loss of around 1 million visitors starkly highlights the full impact of not just the periods of lockdown but also the severely restricted numbers allowed access when some or all of the facilities were open. The best performing facility was Poult Wood Golf Course which despite over 5 months of closure attracted nearly 50,000 visits compared to 58,000 in the previous year demonstrating the eagerness of many customers to take some form of outdoor exercise.

AWARENESS - The Trust worked hard during the lockdown to maintain awareness of the profile of the brand through a presence, largely on social media sites that directed customers towards resources including the Trust's developed online group exercise programme and other wellbeing resources for mental and physical health including NHS advice.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT – continued
Achievement and performance -continued
Charitable activities - continued

HEALTHY LIFESTYLES - The tmaactive150 health and wellbeing programme was suspended during 2020/21 with the relevant staff furloughed for almost the entire 12 months. Many customers of the normal programme are amongst the most clinically vulnerable in society and expressed demand was extremely low. The Trust collaborated with the NHS in the early part of 2021 to open a mass vaccination centre at the Angel Centre to serve residents and the wider population of West Kent in the fight against coronavirus. The mass vaccination programme at the Angel Centre provided up to 3,000 people a day with the Astra Zeneca vaccine and was open 7 days per week for up to 12 hours a day.

CUSTOMER SATISFACTION – Feedback mechanisms were suspended during 2020/21 including Mystery Visits, Viewpoint, Net Promoter Score and Customer Panel meetings. The Trust did engage in some national customer survey work related to customer experience returning to the facilities after the first lockdown and results were above the national average in terms of customer confidence about the COVID security of the facility operation.

SOCIAL INCLUSION - The Trust has continued to deliver concessionary use to Leisure Pass holders. Concessionary prices continue to be extended to people on low income, senior citizens, students, juniors and people living with disabilities. Other programmes that promote social inclusion were largely suspended during 2020/21.

CHARITABLE - Staff at the Trust were unable to support a local charity during 2020/21 and the Community Fund that normally distributes 2% of profits was not available.

ENVIRONMENTAL - The replacement Leisure Pool Hall roof as well as the boiler and air handling plant at Larkfield Leisure Centre was completed during 2020/21 using energy saving materials and technology to maximise operating savings through investment. The opportunity was also taken, whilst the roof work scaffolding was in place, to replace all of the Leisure Pool lighting with LED fittings.

QUALITY - The Trust has an ongoing commitment to Quest, the national quality scheme for sport and leisure despite the pandemic and whilst the Quest scheme was effectively suspended the Trust did commit to the redesigned Quest Prime assessments in 2021/22 to serve as a measure of the efficacy of the operation during and post closure. The normal quarterly Health & Safety Committee chaired by the Chief Executive with retained external expert support and Trustee representation was suspended during the pandemic however the Trust did undertake a review of the external support and a move to utilise the industry based Right Directions upon re-opening was agreed.

STAFF – During the periods of national lockdown the majority of staff (up to 390 at its peak) were furloughed under the Coronavirus Job Retention Scheme (CJRS). The Scheme allowed the Trust to claim 80% of staff salaries. In April and May 2020 a decision was taken to top up the salaries to 100% using cash reserves. This was recognised to be unsustainable beyond those months and pay reverted to 80%. Staff on furlough were also required to take annual leave during periods of national lockdown, also paid at 100%, to reduce the annual leave burden upon re-opening. The approved cost of living pay award of 2.5% and regrading proposals agreed for 2020/21 were deferred and eventually cancelled at a saving of £143,000. During the course of the year about 16 posts were made redundant (8 ftes) of which four were voluntary at a further saving of permanent salaries in excess of £80,000 per annum. Around 18 staff remained fully deployed during the lockdowns including seven of the eight person EMT, administrative staff dealing with IT, finance, payroll and memberships and a reduced technical and greenkeeping team. Throughout the pandemic contact was maintained with staff through regular email updates, Zoom meetings, YouTube posts and personal telephone calls as required. Following the third annual lockdown well over 90% of staff responding to a survey suggested that contact from the organisation had been excellent.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT - continued

Financial review - continued

Financial position - continued

The following Financial Statements reflect performance in the eighth year of the Trust and have been significantly distorted in comparison to previous years by the COVID-19 global pandemic. The pandemic saw three periods of enforced lockdown of the Trust's facilities from 21 March to 27 July, 5 November to 2 December 2020 and 5 January to 12 April 2021. The closures were slightly less onerous at Poult Wood Golf Course and the outdoor pool at Tonbridge opened from 29 March 2021. In between these periods opening was restricted in both terms of capacity and specific facilities and activities. Overall income from trading was just £1.89m. Income support from TMBC, grants and claims against the CJRS amounted to a further £3.02m leading to overall income of £4.91m against a budget forecast of £7.14m. All areas of the business were severely affected with golf income at £668,000 or nearly 70% of forecast from around 7 months of opening the only area of the business that could be deemed in any way strong over the course of the year.

Overall expenditure in operational terms amounted to £5.57m including staff costs reclaimed through the CJRS, compared to a budget forecast of £7.08m but leading to a trading deficit of £666,424. The most significant savings were made in staffing and utilities costs during the year.

The Trust entered negotiations with TMBC during the first national lockdown and quickly established a mutual recognition of the scale of the threat to the sustainability of the Trust. TMBC acknowledged the financial threat to the Council in the event the Trust ceased to trade and a transparent approach to understanding the emerging financial position was agreed. This resulted in an initial pledge from TMBC to offer support up to £1m to help lockdown costs and business recovery. This sum was revised to £1.2m upon the third national lockdown although subsequently a successful bid to the National Leisure Recovery Fund saw an award to TMBC of £267,000 offset against the level of support.

Ongoing sustainability was underpinned by use of the Coronavirus Job Retention Scheme, against which a claim of £1.75m was made over the course of the year. Further Local Restrictions Support Grant Funding, operational savings either negotiated with suppliers or simply not expended due to facility closures, a retraction of the agreed staff pay award and expenditure of cash reserves all contributed to ensuring a sustainable position by the year end. TMBC has also recognised that business recovery during 2021/22 will be challenging and has revised the zero sum Service Fee to a provisional level of £700,000 to further ensure the sustainable future of the Trust.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT - continued

Financial review - continued

Financial position - continued

It is impossible to ignore the significant financial impact on the Trust of the global coronavirus pandemic. However the relationship with TMBC, along with careful stewardship of the Trust's own funds and use of Government schemes has allowed a stronger cash position at year end than anticipated. This overall position and commitment from TMBC places the Trust in a strong position compared to many other similar organisations in the UK that have not been able to rely on their own reserves and the commitment, goodwill and financial support of the local authority and shows the Trust has a difficult but sustainable future beyond the pandemic.

Reserves Policy

The Trust's second Five Year Business Plan was approved as a Schedule to the Management Agreement between TMBC and the Trust and contains reference to Revenue and Capital Reserves.

Total Funds

Total funds held at 31 March 2021 show a deficit balance of £751,138 (2020: £850,286 surplus) all of which were unrestricted. The Board has designated funds as detailed below:

General Fund

The Trust has established a General Fund, represented in terms of liquidity by net current assets, in excess of £500,000 in line with the objective in the initial Business Plan. This provides a level of security and sustainability reflective of the overall size of the organisation. Net current liabilities at 31 March 2021 were £25,943 (2020: £522,547 net current assets).

Currently the Trust holds £805,377 (2020: £1,471,801) in the General Fund before accounting for the pension deficit.

IT Replacement Fund

In 2016/17 the Trust reached agreement with TMBC to asset transfer the IT hardware for the rest of the contract period. This decision was approved by the Board and a lump sum of £200,000 was paid to the Trust. New IT hardware has been purchased and the balance is placed in a designated reserve to allow future replacement which currently holds £149,485 (2020: £149,485).

FRS 102 Pension Fund

Total unrestricted funds before accounting for the pension deficit held at the 31 March 2021 were £954,682. However, a pension deficit of £1,706,000 (2020: (£771,000)) has been included in the Financial Statements to comply with the provisions of FRS 102. This deficit represents the obligation to make future contributions, on behalf of employees, in accordance with the rates advised by the Pension Scheme Actuary. After accounting for the pension deficit of £1,706,000 (2020: (£771,000)) total funds show a deficit balance of £751,138 (2020: £850,286 surplus).

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks.

Going Concern

The Board of Trustees has taken into account the uncertainty caused by COVID-19 and are satisfied that, assuming customers behaviour is in line with industry expectations, and there are not further spikes in COVID-19 which results in enforced lockdowns without government support, then it will be able to meet all its obligations as and when they fall due. Accordingly, whilst drawing the reader's attention to the underlying uncertainties that the COVID-19 pandemic has caused, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT - continued

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Charitable Company nor any of its Trustees held any funds as custodian Trustee.

Plans for the future

Many of the objectives contained in the ASDP's did not progress due to COVID-19.

Following a review of legal options TMBC entered direct negotiations with the Trust in 2020/21 with a view to the Trust taking over the management and operation of Leybourne Lakes Country Park. Whilst the project experienced further delay it is now confirmed that the Trust will accept transfer of LLCP in 2021/22. This exciting opportunity will be underpinned by capital development utilising s106 funding of a lakeside café and water sports hub. The Trust will TUPE across existing staff and manage water sports and angling concessions through third party operators. The café will add a further dimension to the growing food and beverage operation managed directly by the Trust.

The Trust's Five Year Business Plan also identifies the opportunity to work in partnership with other parties within the Borough. Following the first lockdown the Trust was approached by Kings Hill Parish Council seeking a proposal to operate the Kings Hill Sports Park, a facility including a changing pavilion with café/bar, four grass football pitches, a full size floodlit 3G pitch and the future development of tennis, netball, rugby and trim trail anticipated in 2021/22. The freeholder of the Sports Park is Liberty Property Trust. Following extensive negotiations an Underlease and Funding & Management Agreement have been signed and the Trust transferred the staff and facilities under its wing in mid-June 2021. The 25 year contract will operate on a straight Management Fee basis for the first two years with the risk transferring to the Trust in Year Three.

The Trust has developed a proposal to extensively remodel the Angel Centre in liaison with Alliance Leisure Services. The proposal has been subject to a business case analysis and budget costing exercise and was presented to Tonbridge & Malling Borough Council for detailed consideration in 2019/20. Unfortunately, the coronavirus pandemic has halted all current potential of this project moving forward. However, it remains a highly desirable investment opportunity in the view of the Trust and will hopefully be revisited as part of future negotiations related to the future Service Fee and Management Agreement. In this respect the Service Fee review for the third five year tranche of the existing Management Agreement with TMBC will be subject to negotiation in 2021/22 for implementation from 1 April 2023. The Trust anticipates that the remodelling of the Angel Centre and the potential of contract extension beyond 2033 will form a key part of the discussion.

The third five year Business Plan for 1 April 2022 to 31 March 2027 will be drafted over the next 12 months for approval by the Board and TMBC.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charitable Company, a company limited by guarantee, was established under a Memorandum of Association which formed the objects and powers of the Charitable Company and is governed under its Articles of Association.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Recruitment and appointment of new Trustees

The current Board consists of 11 Trustees of which 8 are Community Trustees. Recruitment of Community Trustees is subject to general advertisement and approval of the Board in accordance with the Articles of Association. Recruitment will highlight relevant skills and experience that are deemed appropriate to complement the existing profile of Trustees. New Community Trustees will be required to live and/or work within the Borough to ensure truly local interest and representation. The appointment of the Staff Trustee will be at the approval of the Board and through a transparent process that allows consideration of any permanently contracted employee of the Trust whether full or part time.

Organisational structure

In addition to the 8 Community Trustees and the Staff Trustee, the Leader of Tonbridge & Malling Borough Council nominates two Members to the Board making up the full complement of 11. At 31 March 2021 there were no vacancies on the Board. According to the Articles of Association three Trustees retired by rotation at the Annual General Meeting held in November 2020. The three retirees, Neil Salisbury, Louise Forde and Duncan Scott were unanimously re-elected. The Chair, Alan Nicholl was re-elected unopposed and Simon White was re-elected unopposed to the role of Vice Chair.

Remuneration of Key Management Personnel

Key management personnel remuneration was reviewed by the Board in 2018/19 and Executive Management posts were re-graded. In 2020 an approved cost of living award of 2.5% to all staff including key management personnel was deferred and subsequently withdrawn as a consequence of COVID-19.

Induction and training of new Trustees

Induction of new Trustees is undertaken using the original Induction Pack prepared by WS Law that outlines the duties and responsibilities of a Director and Trustee. WS Law continue to be retained by the Trust and can deliver the training directly if felt appropriate.

The Chief Executive will provide a comprehensive introduction to the facilities, background to the Trust, business, operational and financial plans. In addition the Chief Executive will provide a detailed overview of the suite of documents that form the agreement between the Trust and Tonbridge & Malling Borough Council.

Board Meetings

The Board had 4 scheduled meetings in 2020/21. The Annual General Meeting was held in November 2020. The Board did receive detailed quarterly updates at Board meetings in respect of the financial position, business recovery planning, staff and customer related issues. The Remuneration Sub-Committee met once in 2020/21. It is the function of this sub-committee to consider matters related to pay, pensions and other human resource strategies and issues and make recommendations to the Board. Two EGMs were held in 2020/21 to deal with specific issues related to Kings Hill Sports Park and Leybourne Lakes Country Park. Trustees would normally represent the Trust, by nomination, on site-based Customer Panels and at the quarterly Health & Safety Committee. These meetings did not take place due to COVID-19.

Risk management

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.

The Board has approved an Operational Risk Register which is a live document monitored by the Executive Management Team. The register identifies risk and the potential outcomes of failing to properly manage those risks. A matrix identifying severity x likelihood provides a Risk Rating Number and mitigating controls are described. An Action Plan has been created to further control the identified risks.

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Risk management

A Business Continuity Plan is in place and was intended to be further reviewed in 2020/21 following re-tendering and slightly delayed implementation of a new IT managed solutions service provision. This did not happen due to COVID-19 and is now planned for 2021/22

A new strategic approach to Corporate Risk was approved by the Board in 2019/20 consisting of a Corporate Risk Register that identifies risks largely outside the control of the Trust and incorporates business continuity and high level operational risks. Due to COVID-19 it is now intended to implement the new Corporate Risk Register in 2021/22.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08447331 (England and Wales)

Registered Charity number

1154831

Registered office

1-5 Martin Square
Larkfield
AYLESFORD
Kent
ME20 6QL

Trustees

A Nicholl
K Bennett
T Bishop
M Davis
L Forde
I Garden
S King
S Rolls
N Salisbury
D Scott
S White

Company Secretary

D Sayle

Auditors

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

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Bankers

National Westminster
West Malling Branch
43, Swan Street
West Malling
Kent
ME19 6HF

Company trading name

tmactive

Executive management team

M Guyton - Chief Executive
D Sayle - Head of Finance
K Brimsted - Head of Operations (North)
G Littlejohn - Head of Operations (South)
W Parker - Head of Sales and Marketing
I Mansfield - Head of Facilities and Compliance
S Coppin-Derby – Human Resource Manager
H Rocks – Customer Experience Manager

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Tonbridge and Malling Leisure Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company Directors, on 20 September 2021 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'A C Nicholl', written over a horizontal line.

A C Nicholl - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TONBRIDGE AND MALLING LEISURE TRUST

Opinion

We have audited the financial statements of Tonbridge and Malling Leisure Trust (the 'Charitable Company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 outgoing 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST**

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TONBRIDGE AND MALLING LEISURE TRUST

Our responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charitable Company, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

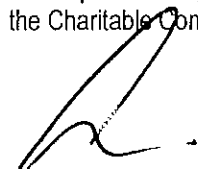
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONBRIDGE AND MALLING LEISURE TRUST

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 20 September 2021

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	FRS102 Pension £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds As restated £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	-	1,750,321	1,750,321	53,561
Charitable activities	4					
Operation of leisure/golf centres		3,160,421	-	-	3,160,421	7,004,521
Investment income	3	394	-	-	394	5,684
Total		3,160,815	-	1,750,321	4,911,136	7,063,766
EXPENDITURE ON Charitable activities						
Operation of leisure/golf centres	5	3,827,239	70,000	1,750,321	5,647,560	7,247,920
NET INCOME/(EXPENDITURE)		(666,424)	(70,000)	-	(736,424)	(184,154)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	(865,000)	-	(865,000)	483,000
Net movement in funds		(666,424)	(935,000)	-	(1,601,424)	298,846
RECONCILIATION OF FUNDS						
Total funds brought forward		1,621,286	(771,000)	-	850,286	551,440
TOTAL FUNDS CARRIED FORWARD		954,862	(1,706,000)	-	(751,138)	850,286

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST (REGISTERED NUMBER: 08447331)
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	11	980,805	-	980,805	1,098,739
CURRENT ASSETS					
Stocks	12	65,599	-	65,599	65,627
Debtors	13	296,468	-	296,468	373,456
Investments	14	2,577	-	2,577	2,568
Cash at bank and in hand		<u>487,536</u>	<u>-</u>	<u>487,536</u>	<u>945,078</u>
		852,180	-	852,180	1,386,729
CREDITORS					
Amounts falling due within one year	15	(878,123)	-	(878,123)	(864,182)
NET CURRENT ASSETS		<u>(25,943)</u>	<u>-</u>	<u>(25,943)</u>	<u>522,547</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>954,862</u>	<u>-</u>	<u>954,862</u>	<u>1,621,286</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>954,862</u>	<u>-</u>	<u>954,862</u>	<u>1,621,286</u>
PENSION LIABILITY	18	1,706,000	-	1,706,000	771,000
TOTAL FUNDS	17				
Unrestricted funds				<u>(751,138)</u>	<u>850,286</u>
FUNDS EXCLUDING PENSION LIABILITY				<u>954,862</u>	<u>1,621,286</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 September 2021 and were signed on its behalf by:



 A C Nicholl - Trustee

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(457,927)</u>	<u>(108,722)</u>
Net cash used in operating activities		<u>(457,927)</u>	<u>(108,722)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		-	(29,449)
95 Deposit account investment		(9)	(2,568)
Interest received		<u>394</u>	<u>5,684</u>
Net cash provided by/(used in) investing activities		<u>385</u>	<u>(26,333)</u>
Change in cash and cash equivalents in the reporting period		(457,542)	(135,055)
Cash and cash equivalents at the beginning of the reporting period		<u>945,078</u>	<u>1,080,133</u>
Cash and cash equivalents at the end of the reporting period		<u><u>487,536</u></u>	<u><u>945,078</u></u>

The notes form part of these financial statements

TONBRIDGE AND MALLING LEISURE TRUST
T/A TMACTIVE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

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

	31.3.21 £	31.3.20 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(736,424)	(184,154)
Adjustments for:		
Depreciation charges	117,934	117,570
Interest received	(394)	(5,684)
Decrease/(increase) in stocks	28	(20,641)
Decrease/(increase) in debtors	76,988	(181,635)
Increase/(decrease) in creditors	13,941	(15,178)
Difference between pension charge and cash contributions	<u>70,000</u>	<u>181,000</u>
Net cash used in operations	<u>(457,927)</u>	<u>(108,722)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>945,078</u>	<u>(457,542)</u>	<u>487,536</u>
	<u>945,078</u>	<u>(457,542)</u>	<u>487,536</u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are prepared in sterling which is the functional currency of the charity.

Going concern

The outbreak of COVID-19, which commenced during the year ended 31 March 2020, has resulted in a pandemic causing extensive disruption across the globe. The COVID-19 pandemic developed rapidly in 2020 and continues in 2021. The resulting impact of the virus on the operations of the Charitable Company and measures taken by various governments to contain the virus have negatively affected the Charitable Company's results in the current financial year. The currently known impacts of COVID-19 on the Charitable Company are:

- A significant reduction in income throughout 2020 and 2021 as cases of COVID-19 began to rise in the United Kingdom.
- The closure of all leisure facilities in the United Kingdom by the UK government on 20 March 2020 which resulted in no income from primary purpose trading activities from 20 March 2020 through to the re-opening of leisure facilities, which was permitted in England from 25 July 2020.
- A reduction in income compared to previous years from re-opening due to the measures that are required to ensure our facilities are COVID secure. The required measures limit the services offered and capacity of leisure facilities.
- A further lockdown from 5 November 2020 to 2 December 2020.
- Restrictions continued on activities whilst the site locations were in tier 4.
- A further nationwide lockdown from 5 January 2021 - 29 March 2021 forcing all facilities to close yet again.
- Between April and June measures such as reduced capacity, increased cleaning and social distancing restrictions remained in place via the UK Government.
- A full relaxation of forced legal COVID-19 restrictions were lifted in June 2021 with the emphasis on employers and individuals taking appropriate precautions. However, the Charitable Company continued to operate with restrictions and processes in place to help ensure safety of customers and staff along with increased cleaning, ventilation and sanitising measures. The Crèche and Café remained closed and are planned to reopen later in 2021.

The full extent of the impact of COVID-19 on the Charitable Company are still unknown, including:

- The impact of changes in customers' behaviour and confidence levels as a result of the continued existence of the pandemic in our society is currently unknown, and if customers do not or are slow to return to sites as anticipated, this will have a significant impact on projected revenue generation.
- The government continues to measure the spread of the virus and may use a tier system in future which may limit our activities.

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

1. ACCOUNTING POLICIES - continued

Going concern – continued

In response to these matters, the Charitable Company has taken the following mitigating actions:

- Took advantage of the Coronavirus Job Retention Scheme (CJRS) and still continue to do so.
- Worked with the local authority partner to secure financial support packages across a large part of the business for the closure period.
- We used the VAT payments deferral scheme in respect of the VAT liability for the quarter ended 31 March 2020.
- Continued to have enhanced hygiene measures in place at their gyms, pools, and fitness classes in line with COVID-19 regulations

The Charitable Company has produced forecasts for the next 24 months taking into account the impact of the lockdown period and measures that have been put in place following reopening. The forecasts are based on the UK Active and Industry recovery models, pre-COVID-19 trading and forecast projections. The key assumptions regarding revenue are based on the facilities that have reopened and are planned to reopen later in 2021 are continue to remain open and that there will be no further lockdowns. Management have carried out an extensive review of the underlying cost base of the business and have factored in changes that are likely to be implemented as a result of the impact of COVID-19 on the business which have been reflected in the forecasts. The forecasts include a level of funding that is due to be received from the local authority. These forecasts indicate that the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future. However, in the current climate, it is difficult to arrive at reliable expectations on which to base assumptions. If the key assumptions are not achieved as a result of the uncertainties noted above, this may cast doubt on the Charitable Company's ability to continue to operate.

The economic climate and pandemic situation remain unstable, however, the Board of Trustees are confident that with the actions taken to reduce expenditure, coupled with the current levels of reserves, that it can mitigate the uncertainties and remain a going concern for at least the next 12 months.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider the key sources of estimation uncertainty; depreciation and amortisation charges for assets included in the Statement of Financial Position based on the estimated useful economic life of the assets. Deferred and accrued income is recorded over the period for which the memberships relate.

Income

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

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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NOTES TO THE FINANCIAL STATEMENTS – continued
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1. ACCOUNTING POLICIES – continued

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

During the year the Charitable Company received the following revenue based grants:

- Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received has been included within donations (note 2).

Expenditure

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

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites. Charitable activities are split into leisure activities, which are those costs incurred directly in the running of each of the sites, and support costs which are those costs incurred directly in support of expenditure on the objects of the charitable company. Governance costs are those incurred in the governance of the Charitable Company and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

Fixed assets costing in excess of £2,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line over 5 to 10 years

Plant and machinery - straight line between 3 to 10 years

Improvements to leasehold property - SL over remaining term of lease (31/10/2033)

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.

Taxation

The Charitable Company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the Charitable Company without further specified purpose and are available as general funds or designated funds, which are set aside by the Trustees for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

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

1. ACCOUNTING POLICIES - continued

Pensions

The Charitable Company operates a pension scheme through Kent County Council providing benefits based previously on final pensionable pay but amended from 1 April 2014 to career average revalued earnings (CARE). The assets of the scheme are held separately in an independently administered fund. Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the Charitable Company in respect of all transferring staff. Employees who joined the Charitable Company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the Charitable Company is liable for. Accordingly, the financial statements for the year ended 31 March 2021 show a pension liability of £1,706,000 as calculated by the scheme actuary.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust 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 introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the 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. Actuarial remeasurement gains and losses are recognised immediately in other recognised gains and losses.

In addition, the Charitable Company operates a defined contributions pension scheme for new staff, the cost of which is charged to the Statement of Financial Activities as occurred.

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

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

1. ACCOUNTING POLICIES - continued

Financial instruments

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, 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 offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed, to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Inventories are also assessed for impairment at each reporting date. Each item of inventory is compared to the last sold date and an impairment loss recognised on a percentage basis in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit and loss.

Service concessions arrangements

The Charitable Company has a Service Contract with Tonbridge & Malling Borough Council for the operation of leisure centres and golf courses owned by the Council to which it has lease and management service contracts. Tonbridge & Malling Borough Council has rights under the contracts to specify the activities offered by the centres and minimum standards for the services to be provided.

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1. ACCOUNTING POLICIES - continued

Financial Instruments - continued

Property, plant and equipment

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with Tonbridge & Malling Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres and golf courses, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charitable Company's Balance Sheet. Improvements to property funded by the Trust are shown in the balance sheet as fixed assets and are depreciated over the term of the lease.

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20 As restated
	£	£
Coronavirus Job Retention Scheme	<u>1,750,321</u>	<u>53,561</u>

In the 31 March 2020 financial statements the Coronavirus Job Retention Scheme support was shown within grants in note 4. Following new guidance from the Charities SORP, we have shown this support within donations and legacies for both financial years.

3. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>394</u>	<u>5,684</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		31.3.21	31.3.20 As restated
	Activity	£	£
Leisure centre income	Operation of leisure/golf centres	1,889,981	6,945,245
TMBC reimbursement	Operation of leisure/golf centres	840,724	59,276
Management fee	Operation of leisure/golf centres	300,000	-
Grants	Operation of leisure/golf centres	<u>129,716</u>	<u>-</u>
		<u>3,160,421</u>	<u>7,004,521</u>

Grants received, included in the above, are as follows:

	31.3.21	31.3.20 As restated
	£	£
TMBC COVID-19 grant	91,712	-
TMBC Utilities protection	<u>38,004</u>	<u>-</u>
	<u>129,716</u>	<u>-</u>

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4. INCOME FROM CHARITABLE ACTIVITIES - continued

In the 31 March 2020 financial statements the Coronavirus Job Retention Scheme support was shown within grants in note 4. Following new guidance from the Charities SORP, we have shown this support within donations and legacies for both financial years. There has been an adjustment to the TMBC reimbursement element to reflect £59,276 which was allocated to Leisure centre income in the 31 March 2020 financial statements.

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Operation of leisure/golf centres	<u>4,382,374</u>	<u>1,265,186</u>	<u>5,647,560</u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Operation of leisure/golf centres	<u>1,240,670</u>	<u>24,516</u>	<u>1,265,186</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.21 £	31.3.20 £
Audit Fee	10,750	9,003
Other non-audit services	13,766	13,247
Depreciation - owned assets	<u>117,934</u>	<u>117,570</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Charitable Company in respect of their role as Trustees. The value of the Trustees' remuneration during the period was as follows:

K Bennett (Staff Trustee) £16,407 (2020: £19,520)

Trustees' expenses

During the period, reimbursed expenses amounting to £nil (2020: £48) were paid to Trustees.

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9. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries	3,530,629	3,811,928
Social security costs	209,963	236,760
Other pension costs	296,368	408,974
Staff restructuring costs	39,837	-
	<u>4,076,797</u>	<u>4,457,662</u>

Included in staff restructuring costs are redundancy payments totalling £39,837 (2020: £nil) that were paid in the year in response to the impact of the COVID-19 pandemic.

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

	31.3.21	31.3.20
Senior management	7	6
Leisure activities	354	360
Support	9	11
	<u>370</u>	<u>377</u>

The number of employees whose employee benefits (excluding employer pension costs and national insurance) exceeded £60,000 was:

	31.3.21	31.3.20
£60,001 - £70,000	1	1
£100,001 - £110,000	1	1
	<u>2</u>	<u>2</u>

The total amount of employee benefits received by Executive Management Team (EMT) is £515,441 (2020: £457,495). The eight individuals (2020: six) considered to be EMT are listed on page 12 of the Trustee's report.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS 102 pension fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Operation of leisure/golf centres	7,058,082	-	7,058,082
Investment income	<u>5,684</u>	<u>-</u>	<u>5,684</u>
Total	7,063,766	-	7,063,766

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10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	FRS102 pension fund £	Total funds £
EXPENDITURE ON			
Charitable activities			
Operation of leisure/golf centres	7,066,920	181,000	7,247,920
NET INCOME/(EXPENDITURE)	(3,154)	(181,000)	(184,154)
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	-	483,000	483,000
Net movement in funds	(3,154)	302,000	298,846
RECONCILIATION OF FUNDS			
Total funds brought forward	1,624,440	(1,073,000)	551,440
TOTAL FUNDS CARRIED FORWARD	<u>1,621,286</u>	<u>(771,000)</u>	<u>850,286</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Office equipment £	Totals £
COST				
At 1 April 2020 and 31 March 2021	<u>1,042,527</u>	<u>232,563</u>	<u>66,273</u>	<u>1,341,363</u>
DEPRECIATION				
At 1 April 2020	126,970	78,388	37,266	242,624
Charge for year	<u>69,959</u>	<u>36,455</u>	<u>11,520</u>	<u>117,934</u>
At 31 March 2021	<u>196,929</u>	<u>114,843</u>	<u>48,786</u>	<u>360,558</u>
NET BOOK VALUE				
At 31 March 2021	<u>845,598</u>	<u>117,720</u>	<u>17,487</u>	<u>980,805</u>
At 31 March 2020	<u>915,557</u>	<u>154,175</u>	<u>29,007</u>	<u>1,098,739</u>

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12. STOCKS

	31.3.21	31.3.20
	£	£
Stocks	<u>65,599</u>	<u>65,627</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade debtors	6,120	135,600
Other debtors	7,299	9,011
Prepayments and accrued income	<u>283,049</u>	<u>228,845</u>
	<u>296,468</u>	<u>373,456</u>

14. CURRENT ASSET INVESTMENTS

	31.3.21	31.3.20
	£	£
Unlisted investments	<u>2,577</u>	<u>2,568</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	207,129	297,978
Social security and other taxes	50,782	66,375
VAT	15,348	18,058
Other creditors	50,911	47,835
Deferred income	296,961	271,555
Accrued expenses	<u>256,992</u>	<u>162,381</u>
	<u>878,123</u>	<u>864,182</u>

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16. LEASING AGREEMENTS

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

	31.3.21 £	31.3.20 £
Within one year	54,231	43,914
Between one and five years	40,099	16,342
	<u>94,330</u>	<u>60,256</u>

The Charitable Company holds a lease of £35,000 per annum for office rental which ends 31 March 2023, however this lease can be cancelled with 12 months notice.

17. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	1,471,801	(666,424)	805,377
IT Replacement Fund	149,485	-	149,485
FRS102 Pension	<u>(771,000)</u>	<u>(935,000)</u>	<u>(1,706,000)</u>
TOTAL FUNDS	<u>850,286</u>	<u>(1,601,424)</u>	<u>(751,138)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,160,815	(3,827,239)	-	(666,424)
FRS102 Pension	<u>-</u>	<u>(70,000)</u>	<u>(865,000)</u>	<u>(935,000)</u>
	3,160,815	(3,897,239)	(865,000)	(1,601,424)
Restricted funds				
Coronavirus job retention scheme	1,750,321	(1,750,321)	-	-
TOTAL FUNDS	<u>4,911,136</u>	<u>(5,647,560)</u>	<u>(865,000)</u>	<u>(1,601,424)</u>

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17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	1,473,032	(1,231)	1,471,801
IT Replacement Fund	151,408	(1,923)	149,485
FRS102 Pension	(1,073,000)	302,000	(771,000)
	<u>551,440</u>	<u>298,846</u>	<u>850,286</u>
TOTAL FUNDS	<u>551,440</u>	<u>298,846</u>	<u>850,286</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	7,063,766	(7,064,997)	-	(1,231)
IT Replacement Fund	-	(1,923)	-	(1,923)
FRS102 Pension	-	(181,000)	483,000	302,000
	<u>7,063,766</u>	<u>(7,247,920)</u>	<u>483,000</u>	<u>298,846</u>
TOTAL FUNDS	<u>7,063,766</u>	<u>(7,247,920)</u>	<u>483,000</u>	<u>298,846</u>

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17. MOVEMENT IN FUNDS - continued

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

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	1,473,032	(667,655)	805,377
IT Replacement Fund	151,408	(1,923)	149,485
FRS102 Pension	<u>(1,073,000)</u>	<u>(633,000)</u>	<u>(1,706,000)</u>
	<u>551,440</u>	<u>(1,302,578)</u>	<u>(751,138)</u>
TOTAL FUNDS	<u>551,440</u>	<u>(1,302,578)</u>	<u>(751,138)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	10,224,581	(10,892,236)	-	(667,655)
IT Replacement Fund	-	(1,923)	-	(1,923)
FRS102 Pension	<u>-</u>	<u>(251,000)</u>	<u>(382,000)</u>	<u>(633,000)</u>
	10,224,581	(11,145,159)	(382,000)	(1,302,578)
Restricted funds				
Coronavirus job retention scheme	1,750,321	(1,750,321)	-	-
	<u>1,750,321</u>	<u>(1,750,321)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>11,974,902</u>	<u>(12,895,480)</u>	<u>(382,000)</u>	<u>(1,302,578)</u>

IT Replacement Fund

During the year 31 March 2017 an amount of £200,000 was received from TMBC in respect of the replacement costs of IT equipment. Unspent funds at 31 March 2021 were £149,485 (2020: £149,485).

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NOTES TO THE FINANCIAL STATEMENTS - continued
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18. EMPLOYEE BENEFIT OBLIGATIONS

The Charitable Company operates a defined benefit pension scheme for some employees administered by Kent County Council, the administering authority to the Kent County Council Pension Fund. The Charitable Company has admitted body status to the Kent County Council Pension Fund. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the full actuarial valuation of the fund carried out by the actuary as at 31 March 2021.

Tonbridge & Malling Borough Council has given a legal undertaking indemnifying the Charitable Company in respect of pension contributions of all transferring staff. Employees who joined the Charitable Company after the point of the business transfer are classified within 'Limb c' and it is the pensions of these employees which the Charitable Company is liable for. Accordingly, the financial statements for the year ended 31 March 2021 show a pension liability of £1,706,000 (2020: £771,000).

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Present value of funded obligations	(3,084,000)	(1,758,000)
Fair value of plan assets	<u>1,378,000</u>	<u>987,000</u>
	(1,706,000)	(771,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(1,706,000)</u>	<u>(771,000)</u>
Net liability	<u>(1,706,000)</u>	<u>(771,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Current service cost	112,000	217,000
Net interest from net defined benefit asset/liability	17,000	25,000
Administrative expenses	<u>1,000</u>	<u>1,000</u>
	<u>130,000</u>	<u>243,000</u>
Actual return on plan assets	<u>308,000</u>	<u>(75,000)</u>

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

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Opening defined benefit obligation	1,758,000	2,047,000
Current service cost	112,000	197,000
Past service cost	-	20,000
Contributions by scheme participants	24,000	27,000
Interest cost	42,000	50,000
Actuarial losses/(gains)	(25,000)	(111,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(18,000)	(124,000)
Actuarial (gains)/losses from changes in financial assumptions	1,191,000	(348,000)
	<u>3,084,000</u>	<u>1,758,000</u>

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

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Opening fair value of scheme assets	987,000	974,000
Interest on assets	(1,000)	(1,000)
Contributions by employer	60,000	62,000
Contributions by scheme participants	24,000	27,000
Expected return	25,000	25,000
Return on plan assets (excluding interest income)	283,000	(100,000)
	<u>1,378,000</u>	<u>987,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
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18. EMPLOYEE BENEFIT OBLIGATIONS – continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	18,000	124,000
Actuarial (gains)/losses from changes in financial assumptions	(1,191,000)	348,000
Return on plan assets (excluding interest income)	283,000	(100,000)
Experience gain/loss on defined benefit obligation	25,000	111,000
	<u>(865,000)</u>	<u>483,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.21	31.3.20
Equities	65%	62%
Gifts	1%	1%
Other Bonds	12%	12%
Property	10%	14%
Cash	5%	3%
Absolute Return Fund	7%	8%
	<u>100%</u>	<u>100%</u>

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,966,000	3,084,000	3,206,000
Projected service cost	195,000	204,000	214,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,089,000	3,084,000	3,079,000
Projected service cost	204,000	204,000	204,000
Adjustment to pension increases and deferred revaluation	+1 year	None	-1 year
Present value of total obligation	3,200,000	3,084,000	2,972,000
Projected service cost	214,000	204,000	195,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	3,193,000	3,084,000	2,979,000
Projected service cost	212,000	204,000	196,000

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NOTES TO THE FINANCIAL STATEMENTS - continued
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18. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.21	31.3.20
Discount rate	2.05%	2.40%
Future salary increases	3.80%	2.85%
Future pension increases	2.80%	1.85%

Pension supporting information

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet - both in respect of any outstanding employer contributions and any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc.) but crucially differ in one key respect - that of the discount factor used to arrive at net present value of any surplus or deficit. Whereas the Ongoing Basis uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. The volatility of the discount rate assumption can lead to higher liabilities being shown than if the liabilities were calculated by the Ongoing Basis.

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LPGS, the last triennial actuarial valuation was carried out in 2019 and new rates set for 3 years from April 2020.

19. RELATED PARTY DISCLOSURES

During the year there were the following transactions with related parties:

The Trust made sales of £3,551 to Tonbridge Juddians Rugby Football Club, where Mark Davis is vice-president. There were no amounts due to the Trust at 31 March 2021.

20. LEGAL STATUS

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.

21. EVENTS SUBSEQUENT TO THE YEAR END

The worldwide outbreak of COVID-19 resulted in the UK Government requiring the British public to enter a number of national and regional lockdowns during the year. Following the year end the government have now permitted leisure centres, gyms and indoor pools to reopen on 12 April 2021.

From 17 May 2021 further restrictions were lifted to allow indoor adult group sports and exercise classes.

Finally, on 19 July 2021 all remaining restrictions that had been in place through the pandemic were lifted.

The continued existence of COVID-19 in our society, which may have an impact on the behaviours of the Trust's customers is as of yet unknown.