

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
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)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	Page
Report of the Trustees	1 to 16
Report of the Independent Auditors	17 to 20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Cash Flow Statement	24
Notes to the Financial Statements	25 to 43

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

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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

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.

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

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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

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

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

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.

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

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).

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

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

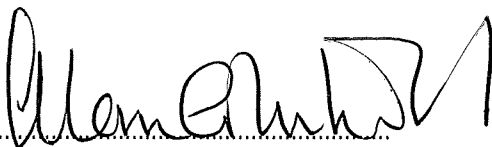
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

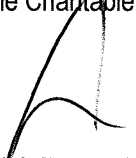
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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>

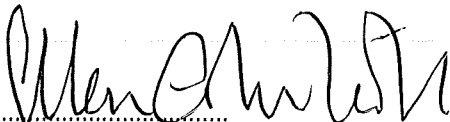
The notes form part of these financial statements

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.

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

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>

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

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>

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

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>

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

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>

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

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.

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

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>

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

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>

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

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>

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

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>

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 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.

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

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.

