

COMPANY REGISTRATION NUMBER: 10076004

CHARITY REGISTRATION NUMBER: 1174371

**Leisure United
Company Limited by Guarantee
Financial statements
31 March 2022**

Leisure United

Company Limited by Guarantee

Financial statements

Year ended 31 March 2022

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Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details

Registered charity name	Leisure United
Charity registration number	1174371
Company registration number	10076004
Principal office and registered office	SGP Graves Bochum Parkway Sheffield S8 8JR

The trustees

The trustees who served during the year and at the date of approval were as follows:

Mr D J Gallagher (Chairman)
Mrs S Wakefield (Vice Chair)
Mr J Annis (retired 19 July 2021)
Mr S Ardley
Mr S Everett

Company secretary Muckle Secretary Limited

Managing Director Mrs M Crossland (from January 2022)
Mr W Ormerod (until January 2022)

Auditor Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Bankers National Westminster Bank Plc
53 London Road North
Lowestoft
Suffolk
NR32 1BJ

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Objectives and activities

The objectives of the charity are:

- To provide or assist in the provision of facilities in the interest of social welfare for recreation or other leisure time occupation for the public at large or for individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life;
- The promotion of community participation in healthy recreation.
- To advance the education and training (both academic and vocational) of the public and in particular (but not limited to) young people from the age of 16 in the subject of sports, sports management and related subjects, with a particular focus (but not limited to) football.

The objectives of the charity are fulfilled through the management of leisure and football facilities throughout the UK on behalf of public and private sector organisations.

Public benefit

The trustees have taken due regard to the guidance published by the Charity Commission on public benefit. It is considered that the charity provides a public benefit through its vision to provide first class leisure facilities, which are accessible and affordable for the whole community.

Our pledge

To ensure affordable, accessible, engaging facilities for all. For the facilities to be operated efficiently ensuring first class presentation throughout contract term. To reinvest surplus profits to further develop a sustainable football and fitness offer.

Our vision

To bring together communities for football, fitness, social and education.

Leisure United

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Achievements and performance

Leisure United has emerged strongly from the restrictive trading environment caused by the Covid 19 pandemic. Benefitting from the opportunity taken to assess, respond and reshape the organisation guided by the thorough performance review, undertaken by EOS Deal Advisory and supported by the Leisure United Team and the Football Foundation.

Economic recovery has been underpinned by sites operating under strict critical care regimes to minimise staffing and operational costs. This scrutiny has resulted in a robust and agile bounce back for all hubs in 21/22, supported by a concise and considered ongoing Business Improvement Plan, for future stability and growth. Improved and informed operations have underpinned the transition from a critical, to a now stable position.

A deficit position has been turned into a surplus, with excess in the bank to support operational cashflow, making the drawdown of a suggested Football Foundation Grant unnecessary and the opportunity to consider creating both an operating reserve and providing investment into the organisation possible. All cities have demonstrated an annual surplus for the trading year 2021/22.

At the end of the year, we are delighted to say that we are forecasting a surplus of £1.118m which is a considerably improved position in comparison to the original forecast.

Leisure United became part of the National Football Trust (NFT) in October 2021 and are now the operational arm of this newly named and established charity, securing a board position alongside membership that includes the Football Association, Sport England, and the Premier League.

Structural changes have been made to further strengthen the senior team and facilitate the efficient roll out of the growth plan. 2021/22 saw the formation of an Executive Function Committee, and an Executive Partnership Board, which includes Leisure United Trustees, Senior Management Team and The Football Foundations Director of Programmes and Programme Manager (Hubs). Governance has remained focussed during this period to ensure that the most efficient and effective model can deliver the future strategic needs of the funding partners, relevant local authorities, and the organisation, with the trustees of Leisure United and the NFT fully onboard with the performance model outcomes and direction of travel.

A commercial Managing Director and Head of Finance have been appointed for improved governance and resilient direction and strategy. Now with national managers in place for operations, partnerships, new openings, and systems. New site development and increased funding opportunities through the Football Foundation for 'new hubs' and the 'single pitch strategy' will result in additional workstreams for the extended senior team. This now includes an Executive Consultant function, who will be engaged as necessary, which with existing resources and alongside industry experts, will help shape and support our strategic and development aspirations.

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Achievements and performance *(continued)*

A performance management scheme was introduced to the staff during the year which was approved in advance by the Leisure United Trustees. The Scheme applied to all employees who had successfully completed their probationary period and required significant overachievement of the FY21/22 forecast.

A strong return to football and fitness has been experienced in all cities, with the longevity of Sheffield and Liverpool bolstering their smooth return to high occupancy at peak times. Income performance highlights versus the base case sees football increases in all areas.

Transparent and timely reporting and qualitative communication has streamlined operational adaptability. Measures have been taken to fix rates where possible in consideration of increasing utility costs. Rising staff, food, pitch maintenance and other fluctuating operational costs are being closely monitored. Action to adapt prices and negotiate supplier contracts is being taken accordingly and swiftly, as a result of the new agile approach.

New site openings are set to benefit from focussed resource attention, and from our learnings regarding improved efficiencies. Hub establishment and growth will be eased by a better understanding of customers, use of data for planning, sales and marketing strategy. However, the new hub pipeline timelines have been delayed, affecting cashflow and necessitating further forecasting, although not a concern, this will require careful resource planning and funding profile to support any changes due to the seasonal profile of the organisation if they impact adversely on original budget projections.

Leisure United continues to provide affordable fitness and football for everyone to enjoy in premium facilities. Working in partnerships with County FAs, affiliated clubs, community groups and education providers, we are creating diverse programs that improve wellbeing, health and a sense of belonging, for everyone, regardless of ability, age, gender or geography.

We commend the commitment and flexibility of our people, who have maintained high standards in an extremely challenging climate, earning praise from our Local Authority partners. It is a testament to the company that the management team has a solid 90% retention over the past two years. Leisure United continues to minimise staff head count by contracting specialist central support from strategic partners for financial, marketing and IT functions. Further changes were made at the end of year to provide our own accountancy support, payroll, and human resource management, which will allow more direct control and greater flexibility for the company with our growth projections.

Financial review

The results for the year are shown on pages 12 to 25.

Income increased significantly during the year as a result of the removal of Covid 19 restrictions and the expansion of the charity leading to an overall increase in income of 117% with charitable activity income increasing from £1,433k to £3,694k and trading income increasing from £150k to £1,418k.

With the increase in activity expenditure for the year also increased, however by a lesser percentage level to that of income. This resulted in a significant surplus being achieved for the year.

Overall movements in the charity's balance sheet were insignificant with largest increase being cash at bank which rose from £440k to £1,611k.

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Financial review *(continued)*

Reserves policy

A new reserves policy has been set at six months of the operational requirement of each facility, this has been based on closure costs similar to those experienced under Covid 19 and without the ability to receive income and attract funding such as government grants. An appropriate budget has been set for each facility and regional hub, this forms part of all contractual negotiations moving forward and to date has been accepted in principle by all parties.

At 31 March 2022 the charity had free reserves of £1,376,922 (2021: £235,004).

Plans for future periods

Moving forward we expect another strong performance during 22/23 with further appointments to be made to ensure our support services are robust and additional operational staff to support new sites as they come online. Current anticipated openings for new sites are as follows:

- Two sites in Newcastle expected completion mid to late January 2023;
- Two new sites in Wigan expected completion January/February 2023;
- One site in London expected completion September 2023;
- One new site in Sheffield expected completion September 2023;
- One new site in Derby expected completion January 2024: and
- Three new sites in Leeds expected completion to be confirmed.

Structure, governance and management

Leisure United was constituted as a company in March 2016. The company achieved charitable registration in August 2017.

Governance arrangements that were put in place with the Football Foundation have established further resilience and overall expertise to manage the existing provision and review future opportunities.

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Structure, governance and management *(continued)*

Recruitment and appointment of trustees

Trustees shall be persons who through residence, occupation, employment or otherwise have a special knowledge of the area of benefit or who are otherwise able, by virtue of their personal or professional qualifications, to make a contribution to the pursuit of the objectives of the charity.

Trustees are directors of the company for the purposes of company law. The number of Trustees shall be a minimum of three and a maximum of six.

Trustees who held office throughout the period are as listed on page 1.

Trustee training and induction

On appointment the Trustees are provided with:

- The charity's Memorandum and Articles of Association
- Key roles in the organisational structure
- Trustee person specification

Key management remuneration policy

The trustees set the management teams salary in line with industry expectations. These salaries are reviewed yearly by the trustees.

Risk assessment

The trustees acknowledge the Charity Commission's recommendation for them to undertake a review of the major risks to which the charity is exposed. The Trustees have undertaken a full risk assessment during the year and as a result the Trustees have identified the following risks to the charity:

- Financial Planning/Management
- Corporate Health and Safety
- Corporate Governance
- Internal Processes & Controls
- Performance Management Framework
- Organisational Culture
- Human Resources and management
- IT
- Working with Partners - governance
- Asset Management
- Marketing & Sales
- Forward Strategy and future position
- Legal

The Trustees are satisfied that there are systems in place or being developed effectively to mitigate those risks.

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Structure, governance and management *(continued)*

Organisational structure

The charity has a board of trustees who meet regularly, on a formal and informal basis, during the year and are responsible for the strategic direction and policy of the charity. Leisure United has one place on the board of its parent company the National Football Trust and frequent discussions take place, mostly through the Partnership Board and its members, as a vehicle to track progress and monitor the operations and rollout of the football hubs programme.

Leisure United established a committee function, created by the main board of trustees to provide additional detailed scrutiny and overall corporate direction. It can make timely decisions which has been invaluable during an exceptional year, where both the impacts of Covid 19 and significant growth possibilities have required greater business focus. This structure fits neatly into the Executive Partnership Board where clear reporting lines and responsibilities have been established.

The management of the charity is delegated to Managing Director and Executive Team.

The Executive Team is Headed by the Managing Director, Director of Operations and Executive Consultant. They are supported directly by two senior managers Head of Finance and Head of Business. The executive and senior managers are further supported by a central head office team which includes: HR and Payroll Manager, Learning and Content Manager, National Operations Manager and Group Retail Manager (formerly National Partnership Manager).

Each facility is supervised by a General Manager on a day to day basis, they are supported by an Assistant Manager and Duty Manager, plus a range of ancillary staff that provide support for all the activities and operational aspects of the football and fitness hubs.

Related parties

The Trust received administration and management support from SLT Enterprises Limited. SLT Enterprises Limited is part of the SLT Group, of which Mr S Ardley is a Trustee. The Trust also receives management consultancy from DGEMS Ltd of which Mr D Gallagher is a Director and SQ1 Management of which Warren Ormerod is a Director.

Leisure United has a single representative on the board of the National Football Trust (NFT) which supports community facilities through facility development throughout the UK.

A board meeting was held on 8 October 2021 that voted to become a member of the NFT. As a consequence Leisure United has become the operational arm of the National Football Trust and is now wholly owned as a subsidiary company of the National Football Trust.

Any related party transactions are disclosed as required in the notes to these financial statements.

Trustees' responsibilities statement

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company for that period.

Leisure United

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

The trustees' annual report was approved on15/11/22..... and signed on behalf of the board of trustees by:



Mr D J Gallagher (Chairman)
Trustee

Leisure United

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Independent auditor's report to the members of Leisure United

Year ended 31 March 2022

Opinion

We have audited the financial statements of Leisure United (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 charity'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.

Leisure United

Company Limited by Guarantee

Independent auditor's report to the members of Leisure United *(continued)*

Year ended 31 March 2022

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Leisure United

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Independent auditor's report to the members of Leisure United *(continued)*

Year ended 31 March 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance to confirm there are no instances of fraud or non-compliance with laws and regulations.
- Review of key accounting estimates, to ensure reasonable and no signs of management bias.
- Review of disclosures within the financial statements and vouching these to supporting documentation to ensure compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounts estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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Independent auditor's report to the members of Leisure United *(continued)*

Year ended 31 March 2022

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DchA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Leisure United

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Statement of financial activities (including income and expenditure account)

Year ended 31 March 2022

		2022		2021
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
Income and endowments				
Charitable activities	5	3,967,083	3,967,083	1,466,408
Other trading activities	6	1,145,238	1,145,238	116,623
Other income	7	124,243	124,243	834,556
Total income		<u>5,236,564</u>	<u>5,236,564</u>	<u>2,417,587</u>
Expenditure				
Raising funds				
Costs of other trading activities	8	(455,799)	(455,799)	(48,628)
Charitable activities	9	(3,648,925)	(3,648,925)	(2,409,176)
Other expenditure	10	(14,316)	(14,316)	(3,075)
Total expenditure		<u>(4,119,040)</u>	<u>(4,119,040)</u>	<u>(2,460,879)</u>
Net income/(expenditure) and net movement in funds		<u>1,117,524</u>	<u>1,117,524</u>	<u>(43,292)</u>
Reconciliation of funds				
Total funds brought forward		259,399	259,399	302,691
Total funds carried forward		<u>1,376,923</u>	<u>1,376,923</u>	<u>259,399</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

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Balance sheet

31 March 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible fixed assets	15		—		24,395
Investments	16		1		1
			<u>1</u>		<u>24,396</u>
Current assets					
Stocks	17	7,757		3,885	
Debtors	18	127,800		72,583	
Cash at bank and in hand		1,611,458		440,276	
		<u>1,747,015</u>		<u>516,744</u>	
Creditors: Amounts falling due within one year	19	<u>(370,093)</u>		<u>(281,741)</u>	
Net current assets			<u>1,376,922</u>		<u>235,003</u>
Total assets less current liabilities			<u>1,376,923</u>		<u>259,399</u>
Funds of the charity					
Unrestricted funds			<u>1,376,923</u>		<u>259,399</u>
Total charity funds	20		<u>1,376,923</u>		<u>259,399</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 15/11/22, and are signed on behalf of the board by:



Mr D J Gallagher (Chairman)
Trustee

Company registration number: 10076004

The notes on pages 16 to 25 form part of these financial statements.

Leisure United

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Statement of cash flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income/(expenditure)	1,117,524	(43,292)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	10,079	11,588
Interest payable and similar charges	94,578	33,878
Loss on disposal of tangible fixed assets	14,316	3,075
<i>Changes in:</i>		
Stocks	(3,872)	5,669
Trade and other debtors	(55,217)	232,587
Trade and other creditors	88,352	(51,178)
Cash generated from operations	1,265,760	192,327
Interest paid	(94,578)	(33,878)
Net cash from operating activities	<u>1,171,182</u>	<u>158,449</u>
Cash flows from investing activities		
Purchase of tangible assets	—	(3,608)
Acquisition of subsidiaries	—	(1)
Net cash used in investing activities	<u>—</u>	<u>(3,609)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	—	1
Net cash from financing activities	<u>—</u>	<u>1</u>
Net increase in cash and cash equivalents	1,171,182	154,841
Cash and cash equivalents at beginning of year	440,276	285,435
Cash and cash equivalents at end of year	<u>1,611,458</u>	<u>440,276</u>

The notes on pages 16 to 25 form part of these financial statements.

Leisure United

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is SGP Graves, Bochum Parkway, Sheffield, S8 8JR.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The charity's reserves have continued to increase following the year end and trading throughout the winter 2022 season is anticipated to be strong.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

(d) Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from trading activities includes income earned from activities to raise funds for the charity and is recognised when entitlement has occurred.
- Subscriptions are included in the period to which they relate.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

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Notes to the financial statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

(e) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.
- All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

(f) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

(g) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	33%, 25% and 20% straight line
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(h) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

(i) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

(j) Redundancy

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

4. Limited by guarantee

The Company is limited by guarantee. In the event of winding up, each member is liable to contribute a sum not exceeding £1.

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Pitch income	2,830,259	2,830,259	795,930	795,930
Education income	251,067	251,067	22,930	22,930
Gym memberships	601,141	601,141	176,218	176,218
Grants from government or public bodies	284,616	284,616	471,330	471,330
	<u>3,967,083</u>	<u>3,967,083</u>	<u>1,466,408</u>	<u>1,466,408</u>

During the year ended 31 March 2022 £126,416 (2021; £150,654) was received from government or public bodies. During the year ended 31 March 2022 £158,300 (2021; £320,676) of Covid 19 grant funding was received.

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Catering income	1,091,697	1,091,697	110,713	110,713
Other trading income	53,541	53,541	5,910	5,910
	<u>1,145,238</u>	<u>1,145,238</u>	<u>116,623</u>	<u>116,623</u>

7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income	110,862	110,862	44,206	44,206
Covid 19 Job Retention Scheme	13,381	13,381	790,350	790,350
	<u>124,243</u>	<u>124,243</u>	<u>834,556</u>	<u>834,556</u>

8. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Catering costs	<u>455,799</u>	<u>455,799</u>	<u>48,628</u>	<u>48,628</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2022

9. Expenditure on charitable activities

	Unrestricted £	Total Funds 2022 £	Unrestricted £	Total Funds 2021 £
Wages and salaries	2,295,062	2,295,062	1,547,905	1,547,905
Rates and water	78,395	78,395	19,028	19,028
Light and heat	229,757	229,757	201,576	201,576
Repairs and maintenance	195,632	195,632	109,708	109,708
Insurance	46,294	46,294	34,003	34,003
Equipment purchase	57,012	57,012	11,382	11,382
Telephone	22,541	22,541	19,443	19,443
Other office costs	131,020	131,020	48,322	48,322
Uniform	9,606	9,606	1,743	1,743
Licences and subscriptions	107,867	107,867	49,268	49,268
Advertising and marketing	82,613	82,613	45,893	45,893
Support services	272,241	272,241	268,073	268,073
Depreciation	10,079	10,079	11,588	11,588
Bank charges	94,578	94,578	33,878	33,878
Governance costs	16,228	16,228	7,366	7,366
	<u>3,648,925</u>	<u>3,648,925</u>	<u>2,409,176</u>	<u>2,409,176</u>

Analysis of Governance costs

	2022 £	2021 £
Audit fees	13,900	6,000
Prior year under accrual	2,328	1,366
	<u>16,228</u>	<u>7,366</u>

10. Other expenditure

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>14,316</u>	<u>14,316</u>	<u>3,075</u>	<u>3,075</u>

11. Net income/(expenditure)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	10,079	11,588
Loss on disposal of tangible fixed assets	<u>14,316</u>	<u>3,075</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

12. Auditors remuneration

	2022 £	2021 £
Fees payable for audit	<u>16,228</u>	<u>7,366</u>

13. Staff costs

Total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	2,075,082	1,453,431
Social security costs	118,645	67,012
Employer pension costs	59,590	20,660
	<u>2,253,317</u>	<u>1,541,103</u>
Self employed instructors	41,745	6,802
	<u>2,295,062</u>	<u>1,547,905</u>

The average number of persons employed by the charity during the year amounted to 155 (2021: 139)

The number of employees that received emoluments in the following bands:

	2022	2021
£70,000 - £79,999	—	1
£80,000 - £89,999	1	—
£150,000 - £159,999	1	—

The key management personnel of the charity comprise of the Managing Director, Director of Operations, National Operations Manager, Executive Consultant and Head of Finance. The total employee benefits of the key management personnel of the charity were £327,826 (2021: £58,256 relating to two employees). The Executive Consultant also provided management consultancy throughout the year receiving fees in total of £7,310 (2021: £76,598), detailed on note 23.

Wages and salaries include statutory redundancy pay of £Nil (2021: £1,569).

14. Trustee remuneration and expenses

Other than that noted in note 23, no remuneration or other benefits from employment with the charity were received by the trustees.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

15. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2021	42,813
Disposals	(42,813)
At 31 March 2022	<u>—</u>
Depreciation	
At 1 April 2021	18,418
Charge for the year	10,079
Disposals	(28,497)
At 31 March 2022	<u>—</u>
Carrying amount	
At 31 March 2022	<u>—</u>
At 31 March 2021	<u>24,395</u>

16. Investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2021 and 31 March 2022	<u>1</u>
Impairment	
At 1 April 2021 and 31 March 2022	<u>—</u>
Carrying amount	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

All investments shown above are held at valuation.

Leisure United Enterprises Limited was incorporated on 28 March 2021, the company is a wholly owned subsidiary of Leisure United. The company was dormant from date of incorporation to 31 March 2022.

17. Stocks

	2022 £	2021 £
Items for resale	<u>7,757</u>	<u>3,885</u>

Stock held at the year end represents food held for resale.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

18. Debtors

	2022 £	2021 £
Trade debtors	11,939	15,346
Prepayments and accrued income	25,169	34,307
Other debtors	90,692	22,930
	<u>127,800</u>	<u>72,583</u>

19. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	86,182	126,932
Amounts owed to group undertakings	1	1
Social security and other taxes	81,063	39,419
Accruals and deferred income	187,818	111,631
Other creditors	15,029	3,758
	<u>370,093</u>	<u>281,741</u>

	2022 £	2021 £
Deferred income brought forward	—	21,998
Released during the year	—	(21,998)
Deferred during the year	16,890	—
Deferred income carried forward	<u>16,890</u>	<u>—</u>

Deferred income relates to gym membership fees received for future periods.

20. Analysis of charitable funds

	At 31 March 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>259,399</u>	<u>5,236,564</u>	<u>(4,119,040)</u>	<u>1,376,923</u>

Year ended 31 March 2021	At 31 March 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>302,691</u>	<u>2,417,587</u>	<u>(2,460,879)</u>	<u>259,399</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

21. Analysis of net assets between funds

	Unrestricted funds	Total Funds
	£	2022 £
Investments	1	1
Current assets	1,747,015	1,747,015
Creditors less than 1 year	(370,093)	(370,093)
	<u>1,376,923</u>	<u>1,376,923</u>

Year ended 31 March 2021

	Unrestricted funds	Total Funds
	£	2021 £
Investments	1	1
Fixed assets	24,395	24,395
Current assets	516,744	516,744
Creditors less than 1 year	(281,741)	(281,741)
	<u>259,399</u>	<u>259,399</u>

22. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	440,276	1,171,182	1,611,458
Debt due within one year	(1)	—	(1)
	<u>440,275</u>	<u>1,171,182</u>	<u>1,611,457</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

23. Related parties

The Charity received administration and management support from SLT Enterprises Limited. SLT Enterprises Limited is a part of the SLT group, of which Mr S Ardley is a Trustee.

During the year the following related party transactions were undertaken:

	2022 £	2021 £
SLT Enterprises Limited		
Administration and management support	98,491	73,591
Administration and management support paid in advance (service not received due to liquidation)	66,641	–
Amounts owing to SLT Enterprises Limited at the year end	–	14,400
SLT Group		
Recharged expenses	243	–
Sentinel Leisure Trust (subsidiary of SLT Group)		
Recharged expenses	–	243

The Trust also received income from Sentinel Leisure Trust in the form of Mr D Gallagher's recharged expenses and for the education agreement with Leisure United.

Sentinel Leisure Trust		
Recharged expenses received	–	195
Education funding	–	22,930
Bad debt written off	(22,930)	–
Amounts owing to Leisure United at the year end	–	23,125

The Trust received administration and management support from Mr John Hodd who was a director and Trustee of Leisure United until 10 May 2020.

During the year the following related party transactions were undertaken:

	2022 £	2021 £
Mr J Hodd		
Administration and management support	–	1,500

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

The Trust receives administration and management support from DGEMS Ltd of which Mr D J Gallagher is a director.

During the year the following related party transactions were undertaken:

	2022 £	2021 £
DGEMS Ltd		
Administration and management support	<u>18,000</u>	<u>18,000</u>
Amounts owing to DGEMS Ltd at the year end	<u>4,500</u>	<u>3,000</u>

The Trust received marketing support from Blue Dawn Pictures which is controlled by a close family member of the key management personnel.

During the year the following related party transactions were undertaken:

	2022 £	2021 £
Blue Dawn Pictures		
Administration and management support	<u>–</u>	<u>28,127</u>

The Trust received administration and management support from SQ1 Management which is controlled by Mr W Ormerod (Executive Consultant of the trust).

During the year the following related party transactions were undertaken:

	2022 £	2021 £
SQ1 Management		
Administration and management support	<u>7,310</u>	<u>76,598</u>
Amounts owing to SQ1 Management at the year end	<u>–</u>	<u>11,890</u>

24. Ultimate parent company

The immediate and ultimate parent company of this company is The National Football Trust, a registered charity (charity number: 1184825) and a company limited by guarantee (11535526) registered in England and Wales.