



**Active Nation UK Ltd**  
**(A company limited by guarantee)**

**Trustees' Report and Financial Statements**  
**Year ending 31 March 2021**

**Charity number 1047742**  
**Company number 3072216**

## Contents

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	Page
Officers and professional advisers	3
Trustees' report	5
Statement of trustees' responsibilities	15
Independent auditors' report	17
Consolidated statement of financial activities (incorporating consolidated income and expenditure account)	21
Consolidated balance sheet	22
Charity balance sheet	23
Consolidated cash flow statement	24
Notes to the consolidated cash flow statement	25
Notes to the financial statements	26



## Reference and Administrative details of the Charity, its Trustees and Advisors

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<b>Trustees</b>	DJ Hughes (Chairman from 15 March 2022) S Lambert (appointed 15 March 2021) D Clayton (appointed 1 March 2022) BA James (resigned 22 March 2022) AG Majakas (Chairman resigned 24 <sup>th</sup> August 2021)
<b>Directorship</b>	SR Martin (resigned 24 March 2022) S Chahal (resigned 23 March 2022) S Chahal (appointed 26 October 2021)
<b>Company Secretary</b>	SR Martin (appointed 29 March 2022) S Chahal (resigned 29 March 2022) S Chahal (appointed 26 October 2021) G Holderness (resigned 22 October 2021)
<b>Senior Management Team</b>	SR Martin S Chahal K Lane D Rolls
<b>Registered Office</b>	Unit 1B Hatton Rock Business Centre Hatton Rock Stratford Upon Avon Warwickshire CV37 0NQ
<b>Company Registration Number</b>	3072216 (England and Wales)
<b>Charity Commission Registration Number</b>	1047742 (England and Wales)
<b>Bankers</b>	National Westminster Bank Plc Camberley Branch 45 Park Street Camberley Surrey GU15 3PA
<b>Auditors</b>	Wise & Co Chartered Accountants Statutory Auditors Wey Court West Union Road Farnham



## Reference and Administrative details of the Charity, its Trustees and Advisors

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Surrey  
GU9 7PT

### Solicitors

Stone King LLP  
13 Queens Square  
Bath  
BA1 2HJ

Herrington Carmichael  
27 Broad Street  
Wokingham  
RG40 1AU

## **Report of the Trustees for the Year ended 31 March 2021**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report incorporating the directors report and strategic report together with the audited financial statements of Active Nation UK Ltd (the company) for the year ended 31 March 2021. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the FRS102 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", effective 1 January 2019

# **Report of the Trustees for the Year ended 31 March 2021**

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governance and Constitution**

The company is a registered charitable company limited by guarantee (Company registration number 3072216) and was set up by a memorandum and articles on 23 June 1995. It is registered with the Charity Commission in England and Wales as charity number 1047742. The principal objects are "to provide or assist in the provision of facilities for recreation and other leisure time occupation for the general public in the interests of social welfare and with the object of improving their conditions of life". A strategic review of the Governance documents was undertaken and new Articles of Association were adopted by the Board on 24 July 2013. Three additional objectives were introduced such that the organisation could more properly work to meet the changing nature of its sphere of work. They were:-

to promote amateur sports including in particular the Sports;

to promote community participation in healthy recreation, in particular by the provision of facilities for the learning, teaching and playing of the Sports;

to advance education in health in particular, but not exclusively, by the provision of training and information for health or fitness professionals, coaches, instructors and the general public.

The "Sports" includes, but is not limited to, badminton, basketball, climbing, cricket, judo, football, gymnastics, hockey, netball, swimming, table tennis, tennis and volleyball.

The Charity has a simple cause-led mission – Persuading the Nation to be Active. Under this simple but purposeful mission, the charity delivers what really matters to communities; exciting sports and exercise programmes which encourage them to sustain a healthy lifestyle.

The Board of Trustees administer the Charity and determine Strategy and Policy.

The Board meets a minimum of 4 times per year with sub-committees meeting as and when necessary.

The Managing Director has delegated authority, set out by the Board, to progress implementation of the Charity's strategy.

The Managing Director is responsible for the implementation and day to day monitoring of the decisions of the Board and provides monthly financial reports on each contract together with details of Strategy Implementation, Business Development and Operational Matters.

Supporting the Managing Director during 2020-21 was a Central Support Team consisting of a Finance Director, Commercial Director, Operations Director and Business Development and Partnership Director. Members of the Central Support Team provided support to the Charity's contracts assisting the Business Managers and their teams at a local level.

## **Report of the Trustees for the Year ended 31 March 2021**

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Additionally, consultants for Business Advice, Health and Safety, Human Resources, IT & Cost Control also provide specialist information and advice to the organisation.

The principal risks and uncertainties facing the Charity are reviewed regularly by the Central Support Team and systems or procedures have been established to manage these risks.

Each contract is managed by a Business Manager supported by a comprehensive staffing establishment.

Business Managers and key Central Support staff meet on a monthly basis to discuss the performance of the contracts and examine key issues to assist with the provision of comprehensive reports for the Board of Trustees. These reports also contain recommendations for future decisions and strategy.

### **Recruitment and Appointment of Trustees**

New Trustees are recruited and appointed in accordance with the Articles of Association and the Charity Commission's guidance. The process involves:

- Assessing the skill set of existing Trustees
- Identifying new skills/experience required
- Recruiting using local and national media
- Screening expressions of interest including an informal meeting with a Trustee
- Formal interview process involving a Trustee and the Managing Director

New Trustees undergo an orientation to brief them on their legal obligations under charity and company law; the Articles of Association, governance processes, strategic plan and financial performance.

In addition new Trustees meet each member of the Operational Leadership team who brief them upon their scope of responsibility.

## **Report of the Trustees for the Year ended 31 March 2021**

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### **STRATEGIC POSITIONING, OBJECTIVES AND REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

The Vision to "Persuade the Nation to be Active" continues by increasing the locations in which the Charity uses as 'hubs' to access communities and help improve the state of the nation.

As part of the 5-year Plan, Active Nation continued work on four key initiatives to build a stronger business. We used an approach of How Many, How Much, How Often and How Happy to measure the business around Participation, Supporter Behaviour, Visit Frequency and Satisfaction & Loyalty which will provide a far superior platform for our business going forward with good quality data, and our progression remains on plan.

For almost 8 months of the FY 2020-21 all venues by order of the Government Covid 19 pandemic were closed. The first full lockdown for venues began on 23<sup>rd</sup> March 2020. This saw a halt to all of our operations with the majority of staff placed on Furlough. Doors re-opened again on 24 July 2020 with restricted access for all supporters. Venues had to be redesigned, carefully cleaned and spaced at a minimum of 2 meters between supporters and facility users. This impacted footfall and use of all facilities as staff and supporters health and safety were of great concern. Subsequent lockdowns then occurred for the period of 5 November 2020 to 2 December 2020 and the final lockdown from 5 January 2021 to 31 March 2021. Venues were open for 4 & ¼ months for the entire FY 2021.

During the lockdown support was received by the Government and local Councils by way of grants, furlough schemes and business help loans. Help schemes specifically created to assist businesses during the Covid 19 pandemic. Active Nation fully utilised all subsidies in order to be able to maintain venues and keep staff remunerated and readily available to resume responsibilities as soon as the Government allowed.

### **Public Benefit Summary**

In setting objectives and planning for activities, the Trustees have given due consideration to guidance published by the Charity Commission relating to public benefit.

The charitable purpose of Active Nation is enshrined in the very simple cause-led mission, "to persuade the nation to be active" in order that it can contribute positively to reducing the incidence of major chronic disease.

The charity has continued to work tirelessly to fulfil its purpose and achieve its public benefit objectives in partnership with its local authority clients. Most particularly it has worked hard to enhance the health and well-being of local communities through promoting recreational opportunity and encouraging increased activity participation. Innovative programming, engagement with disadvantaged community groups, and the development of key partnerships with other agencies such as Public Health departments, Schools and Clubs are all essential features of the Charity's work. Alongside low or no cost pricing structures, a dynamic campaigning strategy has been employed by the charity in the pursuit of its aims which now incorporates extensive use of digital technology.



## Report of the Trustees for the Year ended 31 March 2021

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### Business Review & Principal Activities

The Charity has continued to be an able partner of local authorities in the management of sports and leisure facilities under contract on their behalf and in striving to make a positive impact upon the physical activity levels of their communities.

In 2020-21 the Charity worked with the following local clients and managed the facilities detailed below:

Chorley Council	All Seasons Leisure Centre Clayton Green Sports Centre Brinscall Swimming Pool
City of Lincoln Council	Yarborough Leisure Centre Birchwood Community Leisure Centre
Rushmoor Borough Council	Alpine Snowsports Centre, Aldershot
Southampton City Council	Quays Swimming & Diving Complex Bitterne Leisure Centre Chamberlayne Sports Centre Outdoor Sports Centre Woodmill Outdoor Activities Centre Southampton Water Activities Centre Alpine Snowsports Centre, Southampton
Southampton City Council (Public Health)	Exercise on Referral Scheme
South Derbyshire District Council	Green Bank Leisure Centre Etwall Leisure Centre
Runcorn	Active Nation Runcorn
Basingstoke	Atmosphere (formerly Jump Factory)
Lymington	Boutique Fitness
Long Eaton	Active Nation Long Eaton (low-cost fitness)
Preston	Active Nation Preston (low-cost fitness)
Ormskirk	Active Nation Ormskirk (low-cost fitness)

The contract with Chorley Council for sites noted above ended 30 September 2020. Active Nation no longer manage these sites and Chorley Council have retaken over the centres.

### Performance

Despite the continuing challenging economic environment, the Charity under the Active Nation brand with its cause led mission, showed considerable resilience and the unequivocal attention to the quality of activity programmes being provided to local communities and a commitment to the tight control of cost all contributed to this year's result.

## Report of the Trustees for the Year ended 31 March 2021

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The Trustees believe that such a result provides an improved platform upon which to seek further opportunities to grow its activities and extend the work of the Charity.

### KPIs

KPI	2020-21	2019-20
Income from charitable activities: Management Activities	£2,151,859	£12,585,873
Income from charitable activities: Sports Subsidy	£1,960,066	£1,345,454
Employee Costs	£5,626,270	£8,081,791
Net Funds	(£1,763,826)	(£399,747)

### Quality

The Charity remained committed to independent assessment of the quality of its operations, retaining Investors in People and Quest accreditation at its venues.

### Social Inclusion Initiatives

The Charity has continued to energetically pursue initiatives and develop activities that serve to reduce barriers to participation and provide opportunities for sports and exercise for sections of the population where such opportunity is often denied. Particularly, the Charity has developed specific programmes for young people to arrest the onset of obesity, provided exclusive opportunity for people with mental and physical disabilities, established activity in conjunction with crime disorder programmes and continued to implement highly successful cardiac rehabilitation and exercise referral schemes.

Two specific initiatives continue to promote increased levels of Physical Activity in those where obstacles often prevail. The ParkLives scheme aimed to identify and use green space within city centres to encourage people to be more active and additionally the Charities ActiveAbility scheme provided renewed focus on participation programmes for the physically and mentally restricted?

## **Report of the Trustees for the Year ended 31 March 2021**

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### **Technology**

The Charity made a significant investment strengthening use of an Online and Digital platform, supported with further development of a Supporter App that enhances the supporter experience.

This digital transformation will enable all venues to have improved communications with Supporters and improve the tracking of activity. This will facilitate the collection of standard key performance indicators, but also importantly provide a more 'user-friendly' system for its Supporters to make purchases and communicate digitally. Additional development was committed to the Charity's web presence and new technology enabled supporters from all over the country to engage with the Charity.

### **Trustees**

The Charity continues to have a keen approach to governance, determining the key strategic direction and meeting on a quarterly basis. As the Charity continues to work hard to overcome the financial challenges that remain, Trustees have played an active role in reviewing the financial performance and supporting the management team. They consider that significant progress has been made during an exceedingly challenging year. The Charity has positioned itself to advance its good cause and is excited about the future partnerships that can develop from this more robust base.

### **Management**

Building upon the development of the 'Brilliant' Active Nation Manager concept, the organisation further developed a 'Brilliant Rewards' initiative, which sought to recognise exceptional work undertaken by its employees and nominated for that recognition by their peers. This was a particularly effective cultural engagement tool and will have played a positive role in the encouraging results of the Charity's first 'organisation-wide' People Survey.

### **Campaigning**

FY21 Campaigning was halted due to closing of the clubs during the Covid Pandemic with only a staggered return of Supporters and staff alike from 25<sup>th</sup> July 2021 onwards.

### **Employment & Internal Communications**

Active Nation is committed to the principles of equal opportunity and enshrines this in a Policy document approved by the Board of Trustees and reviewed annually. Active Nation does not discriminate negatively or positively on the basis of physical or mental disability but appoints on the basis of suitability for the position available. Where an employee has or develops a disability, Active Nation makes adaptations either to the workplace and/or to their working activity. The organisation's people, practices, procedures and training support employees from the point of recruitment and throughout a person's employment with the Charity.

The majority of employees were furloughed along with many UK businesses during the financial year 2020/21 and the business closed its doors as requested by the Government. The doors were reopened on 25<sup>th</sup> July 2020 for gym and exercise classes and then again on the 10<sup>th</sup> August for swimming. This created a staggered return to operations for staff, supported by the Government flexible furlough scheme.

## **Report of the Trustees for the Year ended 31 March 2021**

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The continued promotion of web-based internal communication tools, provides a positive means of people engagement that has enhanced communication across the organisation, shared best practice, promoted events and 'shout out' about success stories.

Consultation is undertaken through representative people groups at each contract (split into indoor and outdoor venues at Southampton), which feed into a biannual Charity people Group to raise any local issues which need senior input. In turn these issues are considered under the Safety Meeting agendas for the safety coordinators and the strategic safety leadership meeting. In effect, an issue can go to the top of the organisation and back through the cascade system.

Unilateral pay reviews are conducted annually by the senior management team in conjunction with the trustees. Local pay rates are determined by the contract Business Managers. Geography and TUPE are taken account of in deciding the salary ranges at local level.

Salaries for key management staff are set by the Managing Director with the support of the Finance Director, in accordance with the Charity's Remuneration Policy and approved by the Trustees. Local and national comparators are taken into account, alongside individual responsibility levels and performance.

### **Trading Subsidiary**

The Charity has a dormant trading subsidiary, Active Nation UK Trading Ltd which was set up to account for the activities of the Canoe Shop in Southampton. At the end of the financial year 2016 the future expected turnover was not considered significant enough to require being undertaken by a separate trading company therefore the Canoe Shop was transferred back to the Charity. The Charity is exploring potential opportunities to reduce/eliminate the deficit.

### **Going Concern**

The Charity will continue to explore opportunities in its core market, but it also believes that its experience in Public Health contracts (Southampton) and Contracts in educational settings (Yarborough & Etwell) will enable the Charity to position itself and capitalise upon extending its objectives across broader markets and communities. The charity has been successful in winning two new contracts during the FY 2021, one at Filton Leisure Centre and another at Active Torridge to provide back office services for a fixed management fee.

Whilst the economic climate remains very challenging the involvement of the third sector as a significant delivery vehicle of front line services will ensure that the Charity increases its impact upon activity participation rates across the UK and will further enhance the financial stability of the organisation.

The Charity made a loss of £1,364,079 in FY21, a loss of £951,610 in FY20 and net liabilities of £1,763,825 FY21, net liabilities of £399,747 FY20.

The Trustees recognise that there are material uncertainties regarding the going concern status of the Charity, but they have confidence that the measures they have in place will meet all obligations as they fall due.

## **Report of the Trustees for the Year ended 31 March 2021**

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### **FINANCIAL REVIEW**

Detailed results for the year are shown in the financial statements.

The charity's principal funding comes from users of the facilities. Funds from local authorities are proportionately considerably less than for other leisure trusts.

### **Investment and Risk Management**

Reporting and monitoring requirements are reviewed annually by the Board. The trustees require all contracts to prepare monthly income and expenditure and cash flow reports and quarterly forecasts.

Approval for new contracts and capital investment is based on the Board's review of the following information:

- 1) Projected income and expenditure positions for the new contract/investment period;
- 2) Cash flow projections for periods as in (a);
- 3) Financial impact on current operation;
- 4) Review of project detail including confirmation that it falls within the charity's objectives;
- 5) Consideration of the VAT position;
- 6) Internal rate of return;
- 7) Capital Investment Project progress is reported to the Board at each meeting.

A Risk Register is also maintained and updated every six months. This enables the trustees to determine future action.

The Chairman meets weekly with the Managing Director and other officers as necessary to review key matters arising between Board meetings.

### **Reserves**

The Charity generates most of its funds via subscriptions and doesn't carry out significant fundraising activities. Whilst the Balance Sheet shows unrestricted reserves of (£1,763,825) for FY21.

## Report of the Trustees for the Year ended 31 March 2021

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Approved by the Board of Trustees and signed by:

DJ Hughes  
DJ Hughes  
Chairman

26/05/22  
Date

**Active Nation UK Ltd**  
(Charitable company limited by guarantee)

**Statement of Trustees' Responsibilities**

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The Trustees (who are also directors of Active Nation UK Ltd 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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a Trustee at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

**Active Nation UK Ltd**  
(Charitable company limited by guarantee)

**Statement of Trustees' Responsibilities**

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- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 26/05/22.....

and signed on their behalf by:

DJ Hughes.

DJ Hughes  
Chairman



## **Independent Auditors Report to the Members and Trustees of Active Nation UK Ltd**

**(Charitable company limited by guarantee)**

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We have audited the financial statements of Active Nation UK Ltd for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and the notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS OF 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **MATERIAL UNCERTAINTY RELATING TO GOING CONCERN**

We draw attention to note 1.8 Going Concern in the financial statements, which indicates that there were losses for the year ended 31 March 2021 increasing net liabilities at the year end and that further losses have been incurred during the current year to date. The negative effect of the coronavirus pandemic has compounded losses made in previous years, and has negatively impacted the group's operating position and cash flows.

As stated in note 1.8, these events or conditions, along with the other matters as set forth in note 1.8, indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other

## **Independent Auditors Report to the Members and Trustees of Active Nation UK Ltd**

**(Charitable company limited by guarantee)**

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

We have nothing to report in this regard.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law 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 Trustees' responsibilities statement, 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 group's and the parent 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 group or the parent charitable company or to cease

## **Independent Auditors Report to the Members and Trustees of Active Nation UK Ltd**

**(Charitable company limited by guarantee)**

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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 misstatement misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and parent charitable company and the industry in which it operates, and considered the risk of acts by the group and parent charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011, the Companies Act 2006 and UK tax legislation.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal advisers. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

### **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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent Auditors Report to the Members and Trustees of Active  
Nation UK Ltd**  
(Charitable company limited by guarantee)

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Mark Dickinson FCA (Senior Statutory Auditor)  
for and on behalf of

**Wise & Co**

Chartered Accountants and Statutory Auditors

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

M. Dickinson

Date: 26/05/2022

**Consolidated Statement of Financial Activities (incorporating a consolidated income and expenditure account)**  
**For the year ended 31 March 2021**

		<b>Unrestricted Funds 2021</b>	<b>Restricted Funds 2021</b>	<b>Total Funds 2021</b>	<b>Total Funds 2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>	<b>Notes</b>				
Income from generating funds	<b>2</b>	40,265	-	40,265	742,863
Income from charitable activities	<b>3</b>	4,111,927	-	4,111,927	13,931,327
Other income	<b>4</b>	4,322,660	-	4,322,660	885,355
<b>Total income</b>		<b>8,474,852</b>	<b>-</b>	<b>8,474,852</b>	<b>15,559,545</b>
<b>Expenditure</b>					
Cost of raising funds		189,210	-	189,210	654,515
Charitable activities		9,649,721	-	9,649,721	15,856,640
<b>Total expenditure</b>	<b>5</b>	<b>9,838,931</b>	<b>-</b>	<b>9,838,931</b>	<b>16,511,155</b>
<b>Net (expenditure) / income</b>		<b>(1,364,079)</b>	<b>-</b>	<b>(1,364,079)</b>	<b>(951,610)</b>
Transfer between funds		-	-	-	-
Net Movement in funds		(1,364,079)	-	(1,364,079)	(951,610)
Total funds brought forward		(399,747)	-	(399,747)	551,863
<b>Total funds carried forward</b>		<b>(1,763,826)</b>	<b>-</b>	<b>(1,763,826)</b>	<b>(399,747)</b>

All amounts derive from continuing operations.  
The notes on pages 26 to 44 form part of these financial statements.

**Consolidated Statement of Financial Activities (incorporating a consolidated income and expenditure account)**  
**For the year ended 31 March 2021**

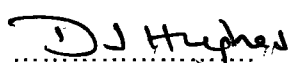
		<b>Unrestricted Funds 2021</b>	<b>Restricted Funds 2021</b>	<b>Total Funds 2021</b>	<b>Total Funds 2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>	<b>Notes</b>				
Income from generating funds	2	40,265	-	40,265	742,863
Income from charitable activities	3	4,111,927	-	4,111,927	13,931,327
Other income	4	4,322,660	-	4,322,660	885,355
<b>Total income</b>		<b>8,474,852</b>	<b>-</b>	<b>8,474,852</b>	<b>15,559,545</b>
<b>Expenditure</b>					
Cost of raising funds		189,210	-	189,210	654,515
Charitable activities		9,649,721	-	9,649,721	15,856,640
<b>Total expenditure</b>	5	<b>9,838,931</b>	<b>-</b>	<b>9,838,931</b>	<b>16,511,155</b>
<b>Net (expenditure) / income</b>		<b>(1,364,079)</b>	<b>-</b>	<b>(1,364,079)</b>	<b>(951,610)</b>
Transfer between funds		-	-	-	-
Net Movement in funds		(1,364,079)	-	(1,364,079)	(951,610)
Total funds brought forward		(399,747)	-	(399,747)	551,863
<b>Total funds carried forward</b>		<b>(1,763,826)</b>	<b>-</b>	<b>(1,763,826)</b>	<b>(399,747)</b>

All amounts derive from continuing operations.  
The notes on pages 26 to 44 form part of these financial statements.

## Consolidated Balance Sheet at 31 March 2021 Registered Number 3072216

	Notes	2021	2020
		£	£
<b>Fixed assets</b>			
Intangible assets	9	36,000	51,690
Tangible assets	10	399,679	821,460
		<u>435,679</u>	<u>873,150</u>
<b>Current assets</b>			
Stock	13	44,396	51,560
Debtors	14	1,494,447	1,284,674
Cash at bank and in hand		1,076,629	336,654
		<u>2,615,472</u>	<u>1,672,888</u>
<b>Less: Creditors – Amounts falling due within one year</b>	15	(3,223,484)	(2,759,598)
<b>NET Current liabilities</b>		<u>(608,012)</u>	<u>(1,086,710)</u>
<b>Less: Creditors – Amounts falling due after more than one year</b>	16	(1,591,493)	(186,186)
<b>Total NET liabilities</b>		<u><u>(1,763,826)</u></u>	<u><u>(399,747)</u></u>
<b>Funds</b>			
Restricted funds	24	-	-
Previous Years Unrestricted Funds		(399,747)	551,863
Unrestricted Funds for year		(1,364,079)	(951,610)
<b>NET FUNDS</b>		<u><u>(1,763,826)</u></u>	<u><u>(399,747)</u></u>

The financial statements were approved by the Board on 26/05/22 and signed on its behalf by:

  
DJ Hughes

Chairman

## Charity Balance Sheet at 31 March 2021 Registered Number 3072216

	Notes	2021	2020
		£	£
<b>Fixed assets</b>			
Intangible Assets	9	36,000	51,690
Tangible assets	10	399,679	821,460
Investment in subsidiary	11	1	1
		<u>435,680</u>	<u>873,151</u>
<b>Current assets</b>			
Stock	13	44,396	51,560
Debtors	14	1,494,447	1,284,674
Cash at bank and in hand		1,076,629	336,654
		<u>2,615,472</u>	<u>1,672,888</u>
<b>Less: Creditors – Amounts falling due within one year</b>	15	<u>(3,223,484)</u>	<u>(2,759,598)</u>
<b>NET current liabilities</b>		<u>(608,012)</u>	<u>(1,086,710)</u>
<b>Less: Creditors – Amounts falling due after more than one year</b>	16	<u>(1,591,493)</u>	<u>(186,186)</u>
<b>Total NET liabilities</b>		<u><u>(1,763,825)</u></u>	<u><u>(399,747)</u></u>
<b>Funds</b>			
Restricted funds	24	-	-
Previous Years Unrestricted Funds		(399,747)	551,863
Unrestricted Funds for year		(1,364,079)	(951,610)
<b>NET FUNDS</b>		<u><u>(1,763,825)</u></u>	<u><u>(399,747)</u></u>

The financial statements were approved by the Board on 26/05/22...  
and signed on its behalf by:

  
DJ Hughes  
Chairman



## Consolidated Cash Flow Statement For the Year Ended 31 March 2021

	Notes	2021	2020
		£	£
<b>Cash flows from operating activities</b>			
<b>Net cash provided by/(used in) operating activities A</b>		(684,800)	(36,300)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		(11,062)	(3,863)
Purchase of tangible property, plant and equipment		(759)	(418,986)
Purchase of intangible property, plant and equipment			(55,000)
<b>Net cash provided by/(used in) investing activities</b>		(11,821)	(477,849)
<b>Cash flows from financing activities:</b>			
Repayment of borrowing		(163,404)	(160,846)
Cash inflows from new borrowing		1,600,000	388,708
<b>Net cash provided by/(used in) financing activities</b>		1,436,596	227,862
<b>Change in cash and cash equivalents in the reporting period</b>		739,976	(286,287)
Cash and cash equivalents at 1 April 2020		336,654	622,940
<b>Cash and cash equivalents at 31 Mar 2021</b>	<b>B</b>	<b>1,076,630</b>	<b>336,654</b>

## Notes to the Consolidated Cash Flow Statement For the Year Ended 31 March 2021

### A. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,364,079)	(951,610)
<b>Adjustments for:</b>		
Depreciation & Amortisation	438,229	515,604
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	11,062	3,863
Loss/(profit) on the sale of fixed assets	0	-
(Increase)/decrease in stock	7,164	18,103
(Increase)/decrease in debtors	(209,773)	59,907
Increase/(decrease) in creditors	432,596	317,834
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(684,800)</b>	<b>(36,300)</b>

### B. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,076,630	336,654
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
<b>Total cash and cash equivalents</b>	<b>1,076,630</b>	<b>336,654</b>

### C. Analysis of changes in net debt

	31 Mar 2020 £	Cash Flows £	New Finance Leases £	31 Mar 2021 £
Cash	336,655	739,975	-	1,076,630
Finance Lease Obligations	(397,856)	164,058	-	(233,798)
<b>Total</b>	<b>(61,203)</b>	<b>904,033</b>	<b>-</b>	<b>842,832</b>

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

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### **1 ACCOUNTING POLICIES**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts are presented in GBP and rounded to the nearest £. Active Nation UK Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### **1.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### **1.3 Company status**

The company is a private company limited by guarantee incorporated in England and Wales. Its registered office is Unit 1B Hatton Rock Business Centre, Hatton Rock, Stratford Upon Avon, Warwickshire, CV37 0NQ and the principal activity is included in the Trustees' report. The Trustees named on page 1 are also members of the company. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

#### **1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been

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

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designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **1.5 Income**

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued. Government Furlough Grants are recognised in the period of entitlement.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

### **1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

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

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The cost of generating funds includes the costs of income and contract generation and the cost of sales of the trading subsidiary. Charitable expenditure is the cost of activities in furtherance of the Charity's objects including management and ancillary activities at the sports facilities which are operated.

Cost of generating funds are calculated as a percentage of wages and salaries and associated costs.

Cost of sales is the value of bar and catering purchases including delivery.

Included within governance costs are support costs and management and administration expenses. Support costs are calculated as 80% of administrative expenditure, 100% of support services and 100% of legal costs. Management and administration costs are calculated as 20% of administrative expenditure and 100% of audit and accountancy costs.

### **1.7 Taxation**

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

### **1.8 Going Concern**

The Charity made a loss of £1,364,079 in FY21, a loss of £951,610 in FY20 and net liabilities of £1,763,825 FY21, net liabilities of £399,747 FY20.

The financial results for the financial year to March 2022 based on the management accounts to March 2022, present an encouraging return to full capacity within our venues with a more favourable financial outcome of an overall loss for the year as £382,285 (Unaudited) against a predicted budgeted loss of £814,388. The losses are mainly made up from the new management leases those being Preston, Runcorn and Ormskirk as well as losses in Long Eaton and Lincoln. A return to profit is evidenced in Aldershot, Basingstoke, South Derbyshire and Southampton. The cash at bank and in hand at March 2022 is a positive £615,433.

Contingent Liabilities are explained in note 20, the financial outcome of which are unknown and that the timing of any payment is unknown.

The Charity continues to recover well from the pandemic and is benchmarked well against others in the sector. What has been clear across the last 12 months, is that in at a time of ill-health, there was a stark absence of good health (through physical activity) being reached for as a beacon to renew and emerge in better shape. With a greater appreciation by the consumer about engaging

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

with physical activity the Charity has seen a 25% increase in the levels of subscriptions and a 23% increase with monthly direct debit growth. The Charity continues to campaign that with the likely continuation of the cost of living to rise, that investing into your personal health and well-being should be seen as a necessity and not further a cost.

In addition, the pandemic has presented new opportunities to the Charity. In July 2021 Active Nation were awarded 15 year leisure management contract working in partnership with Filton Town Council, In January 2023 awarded the contract to support Active Torridge, working with Torridge District Council for 4 year, with back office services – website/crm/finance solutions, the Charity continues to be in dialogue with a number of opportunities that grow the organisation.

The Charity has also recognised the consumer demand to provide online exercise solutions which we pursue to identify new opportunities for income growth moving forward.

### DD growth

The DD has now increased by +£156k since reengaging the monthly collection in June 2021 following the last Covid Lockdown and continues to increase month by month.

### Sales growth

The Charity shows on average a net gain of +450 supporters per month and is currently restored Membership levels to 85% of the pre-pandemic February 2020 level. This is around +5% better than the industry level at 80%.

<u>Opportunity</u>	<u>Description</u>	<u>Status</u>
Filton (Bristol)	15 year Leisure Management Contract	Contract Awarded to Active Nation
Torridge (Devon)	4 year 'back office'	Contract Awarded to Active Nation
Rubicon Leisure (Redditch)	Provide 'back office' services	Waiting confirmation
Collective Leisure (Australia)	Support a leisure management contract.	Waiting on the contract award result
Go Fit (Europe / Bristol)	Leisure Management Contract – 10 years	tender submission in July

A 6-month budgeting process was carried out with senior management to be able to realistically put together a budget for 22/23. Predicting a small surplus in the next 12 months, including a cashflow forecast for the year. The management of expenditure and cash still remain key focuses of the next financial year done through various mean of extended payments terms, controlling cost, marketing promotions and making use of any funding opportunities.

The Trustees recognise that there are material uncertainties regarding the going concern status of the Charity, but they have confidence that the measures they have in place will meet all obligations as they fall due and have therefore prepared the accounts on the going concern basis."

### 1.9 Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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

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### 1.10 Fixed assets and depreciation/amortisation

Tangible and Intangible fixed assets under the cost model are stated at historical cost less accumulated depreciation/amortisation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following bases:

Building improvements:	lower of life of asset (3-15 years) or remaining life of management contract.
Office and major equipment:	lower of life of asset (2-5 years) or remaining life of management contract.
Intangible assets:	lower of life of asset (3-5 years) or remaining life of management contract.
Goodwill	lower of life of asset (5 years) or remaining life of contract.

### 1.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 1.12 Interest receivable

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

### 1.13 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

### 1.14 Hire purchase/ Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as

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

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tangible fixed assets. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### **1.15 Stock**

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less relevant selling costs.

Cost of stock is calculated on a first in, first out basis, excluding VAT.

### **1.16 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

### **1.17 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **1.18 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **1.19 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### **1.20 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.



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

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### **1.21 Pension costs**

Pension costs in respect of contributions made by the company to money purchase personal pension schemes are charged to the statement of financial activities as incurred. The Charity operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, the Charity accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure represents contributions payable to the scheme in respect of the accounting period

### **1.22 Irrecoverable VAT**

The majority of incoming resources are exempt from VAT resulting in the Charity being unable to recover all the VAT on purchases. The proportion of disallowed VAT is calculated quarterly and annually by a method approved by HMRC and is included within charitable expenditure within activities in furtherance of the Charity's objects.

### **1.23 Future Prospects**

The Board report a net deficit of £1,364,079 for the year ended 31<sup>st</sup> March 2021. The Trustees believe that the implementation of a further range of strategic measures will provide an opportunity for the charity to generate a significant surplus in the coming years. Active Nation have the full support of its supporters through increased participation, the full support of its clients and a committed and talented staff driving both the financial and operational aspect of the charity's work. In addition, the senior management and Trustees are confident that the current financial position of the charity will substantially improve in the years to come.

### **1.24 Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

There are no sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

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

### 2 Income from generating funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from Trading Subsidiary	-	-	-	-
Income from Ancilliary Activities	40,265	-	40,265	742,863
Total	40,265	-	40,265	742,863

In 2020 all income was unrestricted.

### 3 Income from Charitable Activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Management Activities	2,151,860	-	2,151,860	12,585,873
Sports Subsidy from Local Authorities	1,960,066	-	1,960,066	1,345,454
Total	4,111,926	-	4,111,926	13,931,327

In 2020 all income was unrestricted.

### 4 Other Income

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Car park, dryers	374,925	-	374,925	471,562
Funding	3,947,466	-	3,947,466	359,093
Events	270	-	270	54,700
Total	4,322,661	-	4,322,661	885,355

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

Within Funding £3,320,888 relates to Government Furlough Scheme (2020:136,540) and £626,578 local support and restart grant (2020: £nil)  
2020 included restricted income from funding of £132,538.

### 5 Expenditure

	Staff costs (see note 8) £	Other direct costs £	Total 2021 £	Total 2020 £
<b>Cost of raising funds:</b>				
General	112,525	55,732	168,257	289,729
Cost of sales of ancillary activities	-	20,953	20,953	364,787
<b>Charitable Activities:</b>				
Charitable expenditure	5,513,744	3,477,501	8,991,246	14,912,685
Support costs (governance)	-	513,808	513,808	770,619
Management and administration (governance)	-	144,667	144,667	173,335
	<u>5,526,269</u>	<u>4,212,661</u>	<u>9,838,931</u>	<u>16,511,155</u>

### 5 Expenditure (contd)

	Direct Costs 2021 £	Support Costs 2021 £	Total 2021 £	Total 2020 £
Wages & Salaries	5,513,744	112,525	5,626,269	8,081,791
Agency/External Staff	67,785	2,096	69,881	581,929
Travel & subsistence	6,815	211	7,026	180,991
Utilities	881,367	27,259	908,625	1,528,458
Establishment	1,365,380	13,932	1,379,312	2,303,462
Marketing	39,024	1,207	40,231	326,413
Service Charges	65,335	1,333	66,668	205,682
Insurance	208,969	6,463	215,432	291,012
Irrecoverable VAT	298,219	-	298,219	809,964
Sundry Expense	1,614	50	1,664	33,545
Rates & rent	12,228	124	12,352	175,105
Licences	98,829	3,057	101,886	219,900
Local Authority Payment	431,937	-	431,937	464,161
Administration	-	473,411	473,411	657,087
Legal & Professional	-	135,079	135,079	244,950
Audit & Accountancy	-	49,985	49,985	41,918
Cost of Sales (ancilliary)	-	20,953	20,953	364,787
Total	<u>8,991,246</u>	<u>847,685</u>	<u>9,838,931</u>	<u>16,511,155</u>

In 2021, £0 related to restricted fund expenditure (2020: £132,538)

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

### 6 Net movement in funds for the year

	2021 £	2020 £
Net movement in funds for the year are stated after charging:		
Hire of plant and machinery	466,579	801,653
Depreciation & Amortisation		
- owned assets	259,628	305,468
- leased assets	190,076	210,136
Audit fees		
- group	49,985	41,918
- charity	49,985	41,918

### 7 Governance

	2021 £	2020 £
Support Costs	513,808	770,619
Audit Fees	49,985	41,918
Management and Admin	144,667	131,417
	<u>708,460</u>	<u>943,955</u>

### 8 Staff costs

	2021 Number	2021 FTE	2020 Number	2020 FTE
The average number of persons (excluding trustees) employed was:				
Service delivery: direct support	535	263	801	356
Support	4	4	4	4
Management and administration	5	5	5	5
	<u>544</u>	<u>272</u>	<u>810</u>	<u>365</u>

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

	2021 £	2020 £
The cost incurred in respect of these employees was:		
Wages and salaries	5,260,548	7,472,300
Social security costs	270,837	417,856
Pension costs	94,885	191,635
	<u>5,626,270</u>	<u>8,081,791</u>

	2021 Number	2020 Number
The number of employees whose emoluments exceeded £60,000 in the year were:		
£60,001 - £70,000	1	2
£70,001 - £80,000	0	1
£80,001 - £100,000	1	1

Total gross pay including social security costs of key management was £277,205 (2020 £345,551). The pension contributions made by the employer on behalf of the key management was £12,990 (2020 £16,616) None of the trustees received any remuneration from the Charity (2020:£nil).

Redundancies were made in the FY21 totalling £53,671. As Covid restrictions were still in place we had reduced supporter numbers in venues when meant we had to reduce staff members. The sites affected were Lincoln, South Derby and Southampton. All redundancy payments were fully paid in the year under review.

### Fixed Assets

<b>9 Intangible Fixed Assets :</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2020	79,121
Additions	
	<u>79,121</u>
At 31 March 2021	
<b>Amortisation</b>	
At 1 April 2020	27,431
Charge for the year	15,690
	<u>43,121</u>
At 31 March 2021	
<b>Net book value</b>	

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

At 31 March 2021	36,000
At 31 March 2020	51,690

		Office		
10	Tangible Fixed Assets :	Building improvements £	and major equipment £	Total £
	<b>Cost</b>			
	At 1 April 2020	1,159,579	2,267,237	3,426,816
	Additions		759	759
	Disposals	(89,522)	(176,329)	(265,851)
	At 31 March 2021	1,070,057	2,091,667	3,161,724
	<b>Accumulated depreciation</b>			
	At 1 April 2020	968,153	1,637,202	2,605,355
	Charge for the year	91,462	331,079	422,541
	Disposals	(89,522)	(176,329)	(265,851)
	At 31 March 2021	970,093	1,791,952	2,762,045

### Net book values

At 31 March 2021	99,964	299,715	399,679
At 31 March 2020	191,425	630,035	821,460

Included in equipment costs is NBV of £149,643 held under finance leases (FY20 £339,719)

### 11 Investments held as fixed assets

#### Charity

#### Shares in subsidiary undertaking £

At 1 April 2020 and 31 March 2021	1
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- a) The investment consists of the entire issued ordinary share capital of Active Nation UK Trading Limited (being 1 ordinary £1 share), incorporated in England and Wales with registration number 3808852.

The entire profit on ordinary activities, when generated, is paid under Gift Aid to Active

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

Nation UK Ltd.

The value of the net liabilities of Active Nation UK Trading Limited at 31 March 2021 was £90,108 (2020: £90,108).

The subsidiary transferred its activities back to Southampton after the year end FY16 and the trade ceased.

### 12 Parent charitable company surplus for the year

The charitable company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The deficit of the parent charitable company for the year was £1,364,080.

13	Stock	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
	Goods for resale	44,396	51,560	44,396	51,560

14	Debtors	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
	Trade Debtors	643,843	436,563	643,843	436,563
	Other Debtors	480,356	300,356	480,356	300,356
	Prepayments and accrued income	370,247	547,755	370,247	547,755
		<u>1,494,447</u>	<u>1,284,674</u>	<u>1,494,447</u>	<u>1,284,674</u>

All debtors are due within one year.

### 15 Creditors – Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	1,106,606	482,441	1,106,606	482,441
Finance Leases	154,070	211,670	154,070	211,670
Other Creditors	13,003	27,686	13,003	27,686
Bank Loan	88,889	0	88,889	0
Accruals and deferred income	1,621,588	1,789,363	1,621,588	1,789,363
Social security and other taxes	239,328	248,439	239,328	248,439

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

<u>3,223,484</u>	<u>2,759,598</u>	<u>3,223,484</u>	<u>2,759,598</u>
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The bank hold an inter-company guarantee dated 25<sup>th</sup> July 2011 between Active Nation UK Ltd and Active Nation UK Trading Ltd, against future bank borrowings.

### 16 Creditors – Amounts falling due after one year.

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finance Leases	80,382	186,186	80,382	186,186
Bank Loan	1,511,111		1,511,111	
	<u>1,591,493</u>	<u>186,186</u>	<u>1,591,493</u>	<u>186,186</u>

### Finance Leases

Minimum lease payments under finance leases fall due as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Within one year	154,070	211,670	154,070	211,670
Between 1 – 5 years	80,382	186,186	80,382	186,186
Total	<u>234,452</u>	<u>397,856</u>	<u>234,452</u>	<u>397,856</u>

### Bank Loan

Minimum bank loan payments as they fall due as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Within one year	88,889	0	88,889	0
1 – 2 years	355,555	0	355,555	0
2 – 5 years	1,066,666	0	1,066,666	0
Over 5 years	88,890	0	88,890	0



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

Total	1,600,000	0	1,600,000	0
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The total amount within Bank Loans relates CBILS Business Loan of £1.6m in response to the economic issues incurred with the Covid 19 Pandemic and was received in June 2020 from NatWest bank Plc. Loan repayments began January 2022 and are for 54 months with interest charged at 3.37% pa. The bank loan is secured by way of an unlimited debenture, with fixed and floating charges over the company's assets.

17	Deferred Income	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
	Opening Deferred Income	850,802	718,728	850,802	718,728
	Deferred income released in year	(850,802)	(718,728)	(850,802)	(718,728)
	Income deferred in year	605,406	850,802	605,406	850,802
	Closing deferred income	605,406	850,802	605,406	850,802

£532,422 advance memberships (FY20: £740,063), £72,984 advanced bookings (FY20: £110,637)

## 18 Guarantee

The Charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, the four members of the Charity are liable to contribute up to £10 each in the event of the company being wound up.

## 19 Analysis of Net Assets between funds

2021	Unrestricted	Restricted (note 24)	Total
	£	£	£
Tangible Fixed Asset	399,679		399,679
Intangible Fixed Asset	36,001		36,001
Current assets	2,615,472		2,615,472
Creditors due in less than one year	(3,223,484)		(3,223,484)
Creditors due after one year	(1,591,493)		(1,591,493)
Net Assets	(1,763,825)		(1,763,825)
2020	Unrestricted	Restricted (note 24)	Total
	£	£	£

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

Tangible Fixed Asset	821,460	821,460
Intangible Fixed Asset	51,690	51,690
Current assets	1,672,888	1,672,888
Creditors due in less than one year	(2,759,598)	(2,759,598)
Creditors due after one year	(186,186)	(186,186)
Net Assets	(399,747)	(399,747)

### 20 Contingent Liabilities

The contract for the Chorley sports centre complex ended in September 2020, where the running of the site was passed back to the council. The charity is still in negotiations with the council as to the liabilities due in relation to the end of the contract. The latest correspondence from the council was received on February 2022 and there is a large difference between the sum the council consider payable and the sum the charity considers payable. Therefore, no reliable estimate of the liability can be substantiated and no figure has been provided in the financial statements.

The charity has a potentially onerous lease relating to a sports centre site that closed July 2020 as a result of the pandemic and that is no longer being used. The annual rent is £60,000 per year, and the lease terminates November 2029, resulting in a potential total obligation of £420,000. The charity is negotiating with the landlord in order to end the lease early. The latest position is that the landlord has offered to end the lease early for a payment of £120,000. As a reliable estimate of the cost of the obligation cannot currently be reached, no liability has been included in the balance sheet. However, we have are in the process of hiring out the gym for £500 a week plus utilities for an initial period of 12 months 1 June 2022 to 31 May 2023, This should be signed shortly reducing the liability by 40%

### 21 Operating Lease Commitments

The Charity's commitments under operating leases are:

	Land and Buildings 2021 £	Plant and Machinery 2021 £	Land and Buildings 2020 £	Plant and Machinery 2020 £
Within 1 year	411,250	143,755	411,250	174,907
2 to 5 years	1,692,350	111,164	1,563,750	249,566
After 5 years	1,417,541	-	1,957,392	-
	<u>3,521,141</u>	<u>254,919</u>	<u>3,932,392</u>	<u>424,473</u>

The commitments identified above attract VAT. The company is partially exempt and

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

therefore, some of the VAT will be recoverable.

### Rental Receipts under Operating Leases

The Charity's future minimum lease rental receipts under non-cancellable operating leases are:

	Land and Buildings 2021 £ net	Land and Buildings 2020 £ net
Within 1 year	-	3,750
2 to 5 years	-	-
	<u>-</u>	<u>3,750</u>

### 22 Legal Status

The company is a charitable company, incorporated in England and Wales. Its registered office is Unit 1B, Hatton Rock Business Centre, Stratford Upon Avon, Warwickshire, CV37 0NQ.

### 23 Pension Commitments

The group operated a defined contributions pension scheme and contributed to multi-employer defined benefit pension schemes where it is not possible to identify the company's share of the underlying assets and liabilities and these have been treated as defined contribution pension schemes. The assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £94,885 (2020: £191,637). At the year-end there were payments of £13,003 (2020: £27,686) due.

### 24 Statement of Funds

2021	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
<b>General funds</b>					
General Purpose Fund	(399,747)	8,474,851	(9,838,931)	-	(1,763,825)
Total Unrestricted funds	(399,747)	8,474,851	(9,838,931)	-	(1,763,825)
Total Funds	(399,747)	8,474,851	(9,838,931)	(1,763,825)	

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

### Restricted funds

No restricted funds were applicable for FY 2021

2020	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
<b>General funds</b>					
General Purpose Fund	551,863	15,427,007	(16,378,617)	-	(399,747)
Total Unrestricted funds	551,863	15,427,007	(16,378,617)	-	(399,747)
<b>Restricted funds</b>					
ParkLives Southampton	-	54,802	(54,802)	-	-
University of Southampton	-	18,227	(18,227)	-	-
SEND Short Breaks	-	13,722	(13,722)	-	-
London Marathon Charitable Trust	-	27,478	(27,478)	-	-
OFSTED Nurse'y Funding	-	18,308	(18,308)	-	-
Total Restricted funds	-	132,538	(132,538)	-	-
Total of funds	551,863	15,559,545	(16,511,155)	-	(399,747)

### 25 Related party transactions

None.

### Reimbursement of expenses

A total of £0 travel & subsistence expenses was paid (2020: £1,410)

During the year professional indemnity insurance covering the Trustees for up to £2m was in place at a cost of £737 (2020: £735)

The Charity has made a provision of £90,105 (2020:90,105) for the debt due from the subsidiary trading company.

### 26 Controlling party

Control of the charity rests ultimately with the Board of Trustees.



# Active Nation UK Ltd

(Charitable company limited by guarantee)

## Consolidated Statement of Income and Expenditure For the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
<b>Income</b>				
Income from activities		2,151,859		12,585,875
Bar, catering and shop sales	40,265		742,863	
Cost of sales	(20,952)		(364,787)	
Bar, catering and shop gross profit		19,313		378,076
Sports subsidy		4,322,660		1,345,454
Other income		1,960,066		885,355
<b>Total income</b>		<b>8,453,898</b>		<b>15,194,758</b>
<b>Expenditure</b>				
Wages and salaries		5,626,270		8,081,791
Energy		908,625		1,528,458
Repairs and maintenance		360,295		625,890
Cleaning		66,724		152,954
Depreciation & Leasing		904,808		1,317,405
Chemicals		10,095		40,498
Equipment rental		37,391		166,715
Travel and subsistence		7,026		180,991
Administration		473,411		657,087
Marketing & printing		40,231		326,413
Service charge		66,667		205,682
Legal and professional		135,079		244,950
Audit and accountancy		49,985		41,918
Non-recoverable VAT & Sundry expense		299,883		843,509
Indirect staff		69,882		581,929
Insurance		215,432		291,012
Licences		101,886		219,900
Rates and rent		12,351		175,105
Local authority/client payment		431,937		464,161
<b>Total expenditure</b>		<b>9,817,978</b>		<b>16,146,368</b>
<b>Net surplus / (deficit)</b>		<b>(1,364,079)</b>		<b>(951,610)</b>