

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)

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ACTIVE NATION UK LTD
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees	DJ Hughes, Chairman S Lambert D Clayton
Company registered number	03072216
Charity registered number	1047742 (England and Wales)
Registered office	Unit 1B Hatton Rock Business Centre Hatton Rock Stratford-Upon-Avon Warwickshire CV37 0NQ
Company secretary	S Martin
Independent auditor	Shaw Gibbs (Audit) Limited Statutory Auditor Wey Court West Union Road Farnham Surrey GU9 7PT
Bankers	National Westminster Bank Plc Camberley Branch 45 Park Street Camberley Surrey GU15 3PA
Solicitors	Stone King LLP 13 Queens Square Bath BA1 2HJ Herrington Carmichael 27 Broad Street Wokingham RG40 1AU
Senior Management Team	S Martin K Lane S Chahal S Tasker P Callas R Michie

ACTIVE NATION UK LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Report of the Trustees for the Year ended 31 March 2023

The Trustees, who also serve as directors of the charity under the Companies Act, present their annual report encompassing the directors' report and strategic report, along with the audited financial statements of Active Nation UK Ltd (the company) for the fiscal year ending 31 March 2023. The Trustees affirm that the company's Annual Report and financial statements comply with current statutory requirements, the governing document, and the provisions of the FRS 102 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities," effective 1 January 2019.

Structure, Governance, and Management

Governance and Constitution

Active Nation UK Ltd, registered as a charitable company limited by guarantee (Company registration number 3072216), was established on 23 June 1995, with a charitable registration number 1047742. The company's primary objectives are to provide or assist in the provision of recreational facilities and other leisure activities for the public. A strategic review of governance documents led to the adoption of new Articles of Association on 24 July 2013, introducing three additional objectives to align with the evolving nature of the organisation's work.

The Charity's mission, "Inspire people to improve their health and well-being" is realised through a variety of sport, exercise, and well-being programmes, overseen by the Board of Trustees. The Managing Director, delegated by the Board, implements the Charity's strategy, providing monthly financial reports and operational updates. The Central Support Team, consisting of a Finance Director, Commercial Director, Operations Director, and Marketing Director, supported the Managing Director during 2022-23, offering assistance to local teams.

Moreover, external consultants provide specialised advice in areas such as Business, Health and Safety, Human Resources, IT, and Cost Control. The Central Support Team regularly reviews and manages the principal risks and uncertainties facing the Charity, ensuring the establishment of systems and procedures to mitigate these risks. Business Managers and key Central Support staff hold monthly meetings to discuss contract performance, address key issues, and provide comprehensive reports for the Board.

Recruitment and Appointment of Trustees

The recruitment and appointment of new Trustees adhere to the Articles of Association and the Charity Commission's guidance. This involves assessing existing Trustees' skill sets, identifying required skills/experience, recruiting through local and national media, screening expressions of interest, conducting formal interviews, and providing orientation for new Trustees on their legal obligations and organisational responsibilities.

Strategic Positioning, Objectives, and Review of Activities and Achievements

Throughout the fiscal year, Active Nation continued work that started in the previous year to focus on repositioning itself from a sport and exercise-centric company to a health and well-being charity. Active Nation continued to shift its emphasis from 'sector' to 'eco-system,' 'market' to 'community,' and 'fitness and leisure' to 'health and wellness.'

Recognising the absence of a focus on good health through physical activity during a period of widespread ill-health, Active Nation aims to be more than a facility-centric organisation. While gyms, studios, and leisure centres remain integral, the organisation is extending well-being solutions online to adapt to changing exercise patterns and consumer behaviour.

The Charity acknowledges the limited impact of traditional exercise facilities on overall participation rates and aims to address deep health inequalities in society. Active Nation is committed to aggregating efforts within the

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physical activity and health eco-system to elevate the value of exercise in community consciousness.

The new mission, "To inspire the nation to improve their health and well-being," aligns with the vision of becoming the number one health and well-being charity in the UK by the end of the decade. The start of the development works and 15-year leisure management contract with Filton Town Council demonstrates Active Nation's commitment to growth, partnership, and continued service expansion.

Despite economic challenges from cost of living and the energy crisis that has had a significant impact across the entire sector, the organisation remains resilient, offering a high-quality, value-driven health & well-being proposition that transcends traditional gym settings. The Charity recognises the potential for digital engagement and the need to connect with individuals working and exercising from home and continues on this pathway with online proposition that reaches audiences that are unable to visit local leisure facilities.

Public Benefit Summary

In pursuit of its charitable purpose to, Active Nation actively contributes to reducing the incidence of major chronic diseases. The Charity collaborates with local authorities to enhance community health and well-being by promoting recreational opportunities, encouraging activity participation, and implementing innovative programs. Engaging disadvantaged community groups, fostering key partnerships with Public Health departments, schools, and clubs, and incorporating digital technology into its campaigning strategy are integral to the Charity's work.

Business Review & Principal Activities

Active Nation remains a reliable partner for local authorities in managing sports and leisure facilities under contract, with a focus on positively impacting community physical activity levels. The fiscal year 2022-23 saw Active Nation working with various local clients, managing facilities across different locations.

Performance

Despite the challenging economic environment, Active Nation, under its cause-led mission, demonstrated resilience, maintaining a commitment to high-quality activity programs and cost control. The Trustees believe that the improved financial platform achieved this year positions the Charity well for future opportunities and growth.

Key Performance Outcomes (KPO)

KPO	2021/2022	2022/2023
Income from charitable activities:		
Management Activities	£8,796,282	£10,782,321
Income from charitable activities:		
Sports Subsidy	£1,036,424	£1,030,484
Employee Costs	£6,065,925	£7,058,159
Net Funds	(£2,848,132)	(£3,885,702)

Quality

The Charity maintains a dedication to independent assessment of its operations. The commitment to quality extends to social inclusion initiatives, where Active Nation actively works to reduce barriers to participation and provide opportunities for various population

segments.

Technology

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Investment continues in online and digital platforms, along with the enhancement of a Supporter App, improving the overall supporter experience. The digital transformation facilitates improved communication, data tracking, and user-friendly interactions for supporters nationwide.

Trustees

The Trustees actively contribute to governance, reviewing the strategic direction and financial performance on a quarterly basis. Despite financial challenges, the Trustees recognise significant progress and express confidence in the Charity's prospects.

Management

Building upon the 'Brilliant' Active Nation Manager programme, the organisation has expanded the 'Brilliant Rewards' initiative to recognise outstanding employee contributions. The Leadership Team remains engaged in site visits, supporting local leadership, and fostering a positive organisational culture.

Campaigning

Supporter subscriptions are now beyond pre-pandemic levels.

Employment & Internal Communications

Active Nation adheres to equal opportunity principles, promoting diversity and inclusion. Web-based internal communication tools facilitate engagement, sharing best practices, promoting events, and celebrating successes. Unilateral pay reviews, conducted annually, consider local pay rates, geography, and individual performance.

Trading Subsidiary

The Charity's trading subsidiary, Active Nation UK Trading Ltd, remains dormant, exploring opportunities to reduce/eliminate the deficit.

Going Concern

While recognising material uncertainties, the Trustees express confidence that the measures in place will meet obligations as they fall due. The Charity made a loss of £1,037,570 in FY23, but the Trustees believe these positions the organisation for future growth.

Financial Review

The detailed financial statements reflect the Charity's reliance on facility users for funds, with local authority funds forming a proportionately smaller portion than for other leisure trusts. Investment and risk management strategies, including monthly financial reports and quarterly forecasts, contribute to financial stability.

Reserves

The Balance Sheet shows unrestricted reserves of (£3,885,702) for FY23. The Charity generates most funds via subscriptions and does not engage significantly in fundraising activities.

In conclusion, the Trustees acknowledge the challenging economic climate but remain optimistic about the Charity's impact on activity participation rates across the UK. The financial results provide an improved platform for seeking further growth opportunities and extending the Charity's impactful work.

Auditors

The auditors, Shaw Gibbs (Audit) Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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So far as each of the trustess is aware at the time the report is approved:

There is no relevant audit information of which the Company's auditors are unaware, and the Trustess have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

DJ Hughes
Chairman

Date: 14 May 2024

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also the directors of the Charity 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 . 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

DJ Hughes
Chairman

Date: 14 May 2024

ACTIVE NATION UK LTD
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE NATION UK LTD

Opinion

We have audited the financial statements of Active Nation UK Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated 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 Financial Reporting Standard 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 of the parent charitable company's affairs as at 31 March 2023 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 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 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 related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that there was a deficit of £1,037,570 for the year ended 31 March 2023 and net liabilities of £3,885,702. Recovery from the coronavirus pandemic and increasing costs have negatively impacted ongoing the operating position and cash flow of the Group and parent charitable company.

As stated in note 2.2, these events or conditions, along with the other matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent charitable company'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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE NATION UK LTD (CONTINUED)

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the 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 operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE NATION UK LTD (CONTINUED)

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:

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 focussed 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, Companies Act 2006 and UK tax legislation.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. 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. This description forms part of our Auditor's Report.

ACTIVE NATION UK LTD
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE NATION UK LTD (CONTINUED)

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.

Mark Dickinson (FCA) (Senior Statutory Auditor)

for and on behalf of

Shaw Gibbs (Audit) Limited

Statutory Auditor

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

16 May 2024

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note				
Income from:					
Charitable activities	4	11,812,805	-	11,812,805	9,832,706
Generating funds	5	380,985	-	380,984	161,031
Other income	6	2,035,481	126,370	2,161,852	1,913,001
		<u>14,229,271</u>	<u>126,370</u>	<u>14,355,641</u>	<u>11,906,738</u>
Total income					
Expenditure on:					
Raising funds		405	-	405	-
Charitable activities	7	15,256,812	135,994	15,392,806	12,991,044
		<u>15,257,217</u>	<u>135,994</u>	<u>15,393,211</u>	<u>12,991,044</u>
Total expenditure					
Net expenditure		<u>(1,027,946)</u>	<u>(9,624)</u>	<u>(1,037,570)</u>	<u>(1,084,306)</u>
Transfers between funds	22	(9,624)	9,624	-	-
		<u>(1,037,570)</u>	<u>-</u>	<u>(1,037,570)</u>	<u>(1,084,306)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		(2,848,132)	-	(2,848,132)	(1,763,826)
Net movement in funds		(1,037,570)	-	(1,037,570)	(1,084,306)
		<u>(3,885,702)</u>	<u>-</u>	<u>(3,885,702)</u>	<u>(2,848,132)</u>
Total funds carried forward					

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 43 form part of these financial statements.

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03072216

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	14,000	25,000
Tangible assets	13	231,950	198,242
		<u>245,950</u>	<u>223,242</u>
Current assets			
Stocks	15	45,173	38,788
Debtors	16	2,123,051	1,316,551
Cash at bank and in hand		416,700	615,495
		<u>2,584,924</u>	<u>1,970,834</u>
Creditors: amounts falling due within one year	17	(5,713,762)	(3,423,370)
Net current liabilities		<u>(3,128,838)</u>	<u>(1,452,536)</u>
Total assets less current liabilities		<u>(2,882,888)</u>	<u>(1,229,294)</u>
Creditors: amounts falling due after more than one year	18	(800,001)	(1,163,983)
Provisions for liabilities	20	(202,813)	(454,855)
Net liabilities excluding pension asset		<u>(3,885,702)</u>	<u>(2,848,132)</u>
Total net assets		<u><u>(3,885,702)</u></u>	<u><u>(2,848,132)</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	(3,885,702)	(2,848,132)
Total funds		<u><u>(3,885,702)</u></u>	<u><u>(2,848,132)</u></u>

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03072216

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
DJ Hughes

Date: 14 May 2024

The notes on pages 17 to 43 form part of these financial statements.

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03072216

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	14,000	25,000
Tangible assets	13	231,950	198,242
Investments	14	1	1
		<u>245,951</u>	<u>223,243</u>
Current assets			
Stocks	15	45,173	38,788
Debtors	16	2,123,050	1,316,550
Cash at bank and in hand		416,700	615,495
		<u>2,584,923</u>	<u>1,970,833</u>
Creditors: amounts falling due within one year	17	(5,713,762)	(3,423,370)
Net current liabilities		<u>(3,128,839)</u>	<u>(1,452,537)</u>
Total assets less current liabilities		<u>(2,882,888)</u>	<u>(1,229,294)</u>
Creditors: amounts falling due after more than one year	18	(800,001)	(1,163,983)
Provisions for liabilities		(202,813)	(454,855)
Net liabilities excluding pension asset		<u>(3,885,702)</u>	<u>(2,848,132)</u>
Total net assets		<u><u>(3,885,702)</u></u>	<u><u>(2,848,132)</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	(3,885,702)	(2,848,132)
Total funds		<u><u>(3,885,702)</u></u>	<u><u>(2,848,132)</u></u>

ACTIVE NATION UK LTD
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CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Charity's net movement in funds for the year was £(1,037,570) (2022 - £(1,084,306)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DJ Hughes
Chairman

Date: 14 May 2024

The notes on pages 17 to 43 form part of these financial statements.

ACTIVE NATION UK LTD
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	427,212	(135,173)
Cash flows from investing activities		
Purchase of tangible fixed assets	(200,828)	(77,663)
Net cash used in investing activities	(200,828)	(77,663)
Cash flows from financing activities		
Repayments of borrowing	(425,178)	(248,300)
Net cash used in financing activities	(425,178)	(248,300)
Change in cash and cash equivalents in the year	(198,794)	(461,136)
Cash and cash equivalents at the beginning of the year	615,494	1,076,630
Cash and cash equivalents at the end of the year	<u>416,700</u>	<u>615,494</u>

The notes on pages 17 to 43 form part of these financial statements

ACTIVE NATION UK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

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.

The Trustees listed in the accounts 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity 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.

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

2. Accounting policies (continued)

2.2 Going concern

The Charity has developed a comprehensive 5 Year Plan aimed at Reshaping, Recovering, and Rebuilding its operations in response to the enduring impacts of the significant increase in Energy Costs. In the 2022/23 financial year, the organisation experienced a 95% rise in energy costs despite a 35% reduction in consumption. During this period, the Charity did not receive any support from grants or funding towards energy costs and the result for the year was a deficit of £1,037,570 (2022: £1,084,306) and current Net Liabilities position of £3,885,702 (2022: £2,848,132). However, mutually negotiated and agreed payment arrangements have been established with all key suppliers. Notably, income grew by 25% compared to the previous period.

In April 2024, the Charity will implement a new 2-year energy agreement, which is expected to reduce costs by 50% compared to previous years, thus alleviating some of the crisis-induced burdens. The Charity anticipates returning to a surplus position within 18 months through focused efforts in its core market.

Despite a persistently challenging economic climate influenced by external factors, the Charity maintains a robust trading position, as evidenced by consistent product sales and strong participation across all venues. This stability serves as a foundation for the organisation's financial standing.

Ongoing efforts to optimise expenditure, particularly through securing competitive deals on energy and other high-value contracts, are a priority. Additionally, a recent senior team restructure has streamlined operations and reduced costs.

The Trustees acknowledge the significant uncertainties surrounding the Charity's going concern status. However, they are confident that the strategic measures in place will enable the Charity to fulfil all obligations as they arise.

ACTIVE NATION UK LTD
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 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 Consolidated 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 the economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it 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.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accrual basis.

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 objectives 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 costs and 100% of legal costs. Management and administration costs are calculated as 20% of administrative expenditure and 100% of audit and accountancy costs.

ACTIVE NATION UK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Government grants

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

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

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

2.8 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Goodwill	-	lower of life of assets (5 years) or remaining life of contract
Intangible assets	-	lower of life of asset (3-5 years) or remaining life of contract

2.9 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

ACTIVE NATION UK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Building improvements	- lower of life of asset (3-15 years) or remaining life of contract
Office and major equipment	- lower of life of asset (2-5 years) or remaining life of contract

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. 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.

2.12 Debtors

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

2.13 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.

2.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

2. Accounting policies (continued)

2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. 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 Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Operating leases

Rentals paid under operating leases are charged to the Consolidated 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.

2.18 Pensions

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 Group operates a defined benefits pension scheme. The scheme is a multi-employer 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 Group 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.

2.19 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 objectives.

2.20 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 Group and which have not been 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 Group 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.

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Critical accounting estimates and areas of judgment

In the application of the Company's accounting policies, which are described above, management is required to make estimates, judgments 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.

Critical accounting estimates and assumptions:

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

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Tot. fun- 20.</i>
Management Activities	10,782,321	10,782,321	8,796,282
Sports Subsidy from Local Authority	1,030,484	1,030,484	1,036,424
Total 2023	<u>11,812,805</u>	<u>11,812,805</u>	<u>9,832,706</u>
<i>Total 2022</i>	<u>9,832,706</u>	<u>9,832,706</u>	

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Income from generating funds

	Unrestricted funds 2023 £	Total funds 2023 £	Tot fun. 20.
		258,294	161,031
Income from Ancillary Activities	<u>258,294</u>		
<i>Total 2022</i>	<u><u>161,031</u></u>	<u><u>161,031</u></u>	

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Torridge contract income	<u>122,691</u>	<u>122,691</u>	-
<i>Total 2022</i>	<u><u>-</u></u>	<u><u>-</u></u>	

6. Other income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Tot fun. 20.
Car park, dryers	1,350,270	-	1,350,270	741,566
Funding	150,811	126,370	277,181	1,166,990
Events	7,840	-	7,840	4,445
Loss of income claim	526,560	-	526,560	-
Total 2023	<u><u>2,035,481</u></u>	<u><u>126,370</u></u>	<u><u>2,161,851</u></u>	<u><u>1,913,001</u></u>
<i>Total 2022</i>	<u><u>1,301,273</u></u>	<u><u>611,728</u></u>	<u><u>1,913,001</u></u>	

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Other income (continued)

Within unrestricted funding £nil (2022 - £225,609) relates to Government Furlough Scheme and £nil (2022 - £329,653) local support, restart grants and other funding.

Within restricted funding £126,370 (2022 - £125,156) relates to Holiday activity and food grants and £nil (2022 - £486,572) relates to National leisure recovery funding.

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Charitable expenditure	<u>15,256,812</u>	<u>135,994</u>	<u>15,392,806</u>	<u>12,991,044</u>
<i>Total 2022</i>	<u>12,991,044</u>	<u>-</u>	<u>12,991,044</u>	

Summary by expenditure type

	Staff costs 2023 £	Other costs 2023 £	Total 2023 £	Total 2022 £
Charitable expenditure	<u>7,058,159</u>	<u>8,334,647</u>	<u>15,392,806</u>	<u>12,991,044</u>
<i>Total 2022</i>	<u>6,065,926</u>	<u>6,925,118</u>	<u>12,991,044</u>	

ACTIVE NATION UK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable expenditure	<u>13,787,574</u>	<u>1,605,232</u>	<u>15,392,806</u>	<u>12,991,044</u>
<i>Total 2022</i>	<u>11,790,393</u>	<u>1,200,651</u>	<u>12,991,044</u>	

Analysis of direct costs

	2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	6,916,997	6,916,997	5,944,606
Agency/External Staff	373,128	373,128	346,928
Travel & subsistence	105,167	105,167	60,615
Utilities	2,501,299	2,501,299	1,255,667
Establishment	1,523,920	1,523,920	2,229,274
Marketing	162,295	162,295	98,625
Service Charges	164,255	164,255	167,507
Insurance	236,357	236,357	177,251
Irrecoverable VAT	924,120	924,120	774,630
Sundry Expense	10,115	10,115	13,018
Rates & rent	173,504	173,504	57,988
Licences	184,343	184,343	120,743
Local Authority Payment	512,074	512,074	543,541
Total 2023	<u>13,787,574</u>	<u>13,787,574</u>	<u>11,790,393</u>
<i>Total 2022</i>	<u>11,790,393</u>	<u>11,790,393</u>	

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	141,163	141,163	121,317
Agency/External Staff	14,315	14,315	10,729
Travel & subsistence	3,253	3,253	1,875
Utilities	76,741	76,741	38,835
Establishment	54,927	54,927	54,879
Marketing	5,019	5,019	3,050
Service Charges	3,352	3,352	3,419
Insurance	7,310	7,310	5,482
Sundry Expense	313	313	403
Rates & rent	1,753	1,753	586
Licences	5,701	5,701	3,734
Administration	710,471	710,471	499,737
Legal & Professional	249,825	249,825	222,807
Audit & Accountancy	90,746	90,746	59,381
Cost of Sales of ancillary activities	240,343	240,343	174,417
Total 2023	<u>1,605,232</u>	<u>1,605,232</u>	<u>1,200,651</u>
<i>Total 2022</i>	<u>1,200,651</u>	<u>1,200,651</u>	

9. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>90,746</u>	<u>59,381</u>

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Staff costs

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Wages and salaries	6,522,802	5,621,277	6,522,802	5,621,277
Social security costs	399,918	332,716	399,918	332,716
Contribution to defined contribution pension schemes	135,439	111,932	135,439	111,932
	<u>7,058,159</u>	<u>6,065,925</u>	<u>7,058,159</u>	<u>6,065,925</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2023 No.	<i>Group 2022 No.</i>	Charity 2023 No.	<i>Charity 2022 No.</i>
Service delivery: direct support	569	493	569	493
Support	5	5	5	5
Management and administration	6	6	6	6
	<u>580</u>	<u>504</u>	<u>580</u>	<u>504</u>

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	<i>Group 2022 No.</i>	Charity 2023 No.	<i>Charity 2022 No.</i>
Service delivery: direct support	255	200	255	200
Support	5	5	5	5
Management and administration	6	6	6	6
	<u>266</u>	<u>211</u>	<u>266</u>	<u>211</u>

ACTIVE NATION UK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Staff costs (continued)

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	4	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Total gross pay including social security costs of key management was £396,327 (2022 - £476,629). The pension contributions made by the employer on behalf of the key management £12,973 (2022 - £16,221).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2022 - £NIL).

During the year professional indemnity insurance covering the Trustees for up to £2,000,000 was in place at a cost of £2,960 (2022 - £4,244).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

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

12. Intangible assets

Group and Charity

	Goodwill
	£
Cost	
At 1 April 2022	79,121
	<hr/>
At 31 March 2023	79,121
	<hr/>
Amortisation	
At 1 April 2022	54,121
Charge for the year	11,000
	<hr/>
At 31 March 2023	65,121
	<hr/>
Net book value	
At 31 March 2023	14,000
	<hr/> <hr/>
<i>At 31 March 2022</i>	<i>25,000</i>
	<hr/> <hr/>

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Tangible fixed assets

Group and Charity

	Building improvements £	Office and major equipment £	Total £
Cost or valuation			
At 1 April 2022	1,072,991	2,166,396	3,239,387
Additions	27,161	173,667	200,828
Disposals	-	(18,677)	(18,677)
At 31 March 2023	<u>1,100,152</u>	<u>2,321,386</u>	<u>3,421,538</u>
Depreciation			
At 1 April 2022	1,029,410	2,011,735	3,041,145
Charge for the year	23,342	125,101	148,443
At 31 March 2023	<u>1,052,752</u>	<u>2,136,836</u>	<u>3,189,588</u>
Net book value			
At 31 March 2023	<u><u>47,400</u></u>	<u><u>184,550</u></u>	<u><u>231,950</u></u>
At 31 March 2022	<u><u>43,581</u></u>	<u><u>154,661</u></u>	<u><u>198,242</u></u>

Included within office and major equipment costs are assets held under finance leases. At the year end these assets had a net book value of £nil (2022 - £1,483)

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2022	1
At 31 March 2023	<u>1</u>
Net book value	
At 31 March 2023	<u>1</u>
At 31 March 2022	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Principal activity	Class of shares	Holding
Active Nation UK Trading Limited	03808852	Dormant	Ordinary	100%
Included in consolidation				

Yes

The financial results of the subsidiary for the year were:

Name	Net liabilities £
Active Nation UK Trading Limited	90,108

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Stocks

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Finished goods and goods for resale	<u>45,173</u>	<u>38,788</u>	<u>45,173</u>	<u>38,788</u>

16. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Due within one year				
Trade debtors	199,385	271,031	199,385	271,031
Other debtors	557,229	528,278	557,228	528,277
Prepayments and accrued income	1,366,437	517,242	1,366,437	517,242
	<u>2,123,051</u>	<u>1,316,551</u>	<u>2,123,050</u>	<u>1,316,550</u>

17. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Bank loans	355,555	355,555	355,555	355,555
Trade creditors	2,977,578	1,571,700	2,977,578	1,571,700
Other taxation and social security	147,902	119,742	147,902	119,742
Finance Leases	5,417	66,614	5,417	66,614
Other creditors	68,358	64,914	68,358	64,914
Accruals and deferred income	2,158,952	1,244,845	2,158,952	1,244,845
	<u>5,713,762</u>	<u>3,423,370</u>	<u>5,713,762</u>	<u>3,423,370</u>

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Bank loans	800,001	1,155,556	800,001	1,155,556
Finance Leases	-	8,427	-	8,427
				1,163,983
	800,001	1,163,983	800,001	

Included within the above are amounts falling due as follows:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Between one and two years				
Bank loans	355,569	355,555	355,569	355,555
Between two and five years				
Bank loans	444,432	800,001	444,432	800,001

The total amount within bank loans relate to a 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 in January 2022 and are for 54 months with interest charged at 3.37% per annum. The bank loan is secured by way of an unlimited debenture, with fixed and floating charges over the company's assets.

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial assets				
Financial assets measured at amortised cost	<u>1,175,786</u>	<u><i>1,414,804</i></u>	<u>1,175,786</u>	<u><i>1,414,814</i></u>
	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>4,206,909</u>	<u><i>3,222,766</i></u>	<u>4,206,909</u>	<u><i>3,222,766</i></u>

Financial assets and liabilities are measured at amortised cost. Financial assets is made up of bank, trade debtors and other debtors. Financial liabilities are made up of bank loans, trade creditors, other creditors and finance leases.

20. Provisions

Group

	Onerous leases £
At 1 April 2022	454,855
Amounts reversed	(252,042)
	<u>202,813</u>

Charity

	Onerous leases £
At 1 April 2022	454,855
Amounts reversed	(252,042)
	<u>202,813</u>

ACTIVE NATION UK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Deferred income

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Deferred income at 1 April 2022	488,464	<i>605,406</i>	488,464	<i>605,406</i>
Income deferred during the year	1,053,187	<i>488,464</i>	1,053,187	<i>488,464</i>
Amounts released from previous periods	(488,464)	<i>(605,406)</i>	(488,464)	<i>(605,406)</i>
Deferred income at 31 March 2023	<u>1,053,187</u>	<i><u>488,464</u></i>	<u>1,053,187</u>	<i><u>488,464</u></i>

Deferred income at 31 March 2023 is made up of £876,737 (2022 - £395,093) advance memberships, £145,566 (2022 - £38,806) advanced bookings and £40,883 (2022 - £54,565) of other income.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds - all funds	<u>(2,848,132)</u>	<u>14,229,271</u>	<u>(15,257,217)</u>	<u>(9,624)</u>	<u>(3,885,702)</u>
Restricted funds					
Holiday activities and food grant	<u>-</u>	<u>126,370</u>	<u>(135,994)</u>	<u>9,624</u>	<u>-</u>
Total of funds	<u><u>(2,848,132)</u></u>	<u><u>14,355,641</u></u>	<u><u>(15,393,211)</u></u>	<u><u>-</u></u>	<u><u>(3,885,702)</u></u>

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Funds - all funds	<u>(1,763,826)</u>	<u>11,295,010</u>	<u>(12,991,044)</u>	<u>611,728</u>	<u>(2,848,132)</u>
Restricted funds					
Holiday activities and food grant	-	125,156	-	(125,156)	-
National leisure recovery fund	-	486,572	-	(486,572)	-
	<u>-</u>	<u>611,728</u>	<u>-</u>	<u>(611,728)</u>	<u>-</u>
Total of funds	<u><u>(1,763,826)</u></u>	<u><u>11,906,738</u></u>	<u><u>(12,991,044)</u></u>	<u><u>-</u></u>	<u><u>(2,848,132)</u></u>

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23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	(2,848,132)	14,229,271	(15,257,217)	(9,624)	(3,885,702)
Restricted funds	-	126,370	(135,994)	9,624	-
	<u>(2,848,132)</u>	<u>14,355,641</u>	<u>(15,393,211)</u>	<u>-</u>	<u>(3,885,702)</u>

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
General funds	(1,763,826)	11,295,010	(12,991,044)	611,728	(2,848,132)
Restricted funds	-	611,728	-	(611,728)	-
	<u>(1,763,826)</u>	<u>11,906,738</u>	<u>(12,991,044)</u>	<u>-</u>	<u>(2,848,132)</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	231,950	231,950
Intangible fixed assets	14,000	14,000
Current assets	2,584,924	2,584,924
Creditors due within one year	(5,713,762)	(5,713,762)
Creditors due in more than one year	(800,001)	(800,001)
Provisions for liabilities and charges	(202,813)	(202,813)
Total	<u>(3,885,702)</u>	<u>(3,885,702)</u>

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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	198,242	198,242
Intangible fixed assets	25,000	25,000
Current assets	1,970,835	1,970,835
Creditors due within one year	(3,423,370)	(3,423,370)
Creditors due in more than one year	(1,163,983)	(1,163,983)
Provisions for liabilities and charges	(454,855)	(454,855)
Total	<u>(2,848,131)</u>	<u>(2,848,131)</u>

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(1,037,570)</u>	<u>(1,084,306)</u>
Adjustments for:		
Depreciation charges	159,443	290,100
Loss on the sale of fixed assets	18,677	-
Decrease/(increase) in stocks	(6,385)	5,608
Decrease/(increase) in debtors	(808,974)	177,896
Increase in creditors	2,354,063	20,674
Increase/(decrease) in provision for liabilities	(252,042)	454,855
Net cash provided by/(used in) operating activities	<u><u>427,212</u></u>	<u><u>(135,173)</u></u>

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26. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	416,700	615,494
Total cash and cash equivalents	416,700	615,494

27. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	615,495	(198,795)	416,700
Debt due within 1 year	(355,555)	-	(355,555)
Debt due after 1 year	(1,155,556)	355,555	(800,001)
Finance leases	(75,040)	69,623	(5,417)
	(970,656)	226,383	(744,273)

28. Contingent liabilities

The contract for the Chorley sports centre complex ended in September 2020, where the running of the site was handed 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 in 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.

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29. 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 £135,439 (2022 - £108,340). At the year end there was payments of £21,993 (2022 - £23,696) due.

30. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Not later than 1 year	386,250	519,336	386,250	519,336
Later than 1 year and not later than 5 years	1,545,000	1,636,499	1,545,000	1,636,499
Later than 5 years	794,671	1,088,892	794,671	1,088,892
	<u>2,725,921</u>	<u>3,244,727</u>	<u>2,725,921</u>	<u>3,244,727</u>

The commitments identified above attract VAT. The charity is partially exempt and therefore some of the VAT will be recoverable.

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Operating lease rentals	<u>521,919</u>	<u>559,075</u>	<u>521,919</u>	<u>559,075</u>

31. Guarantees

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

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32. Related party transactions (continued)

32. Related party transactions

The charity has made a provision of £90,105 (2022: £90,105) for the debt due from the subsidiary company.

During the year professional indemnity insurance covering the Trustees for up to £2,000,000 was in place at a cost of £2,960 (2022: £4,244).

During the year, related party transactions were identified between the charity and Trusted Facilities Management Limited, of which Shaun Tasker is a director and shareholder. The value of the transactions during the year totalled £222,217 (2022 - £199,615).

33. Controlling party

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

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