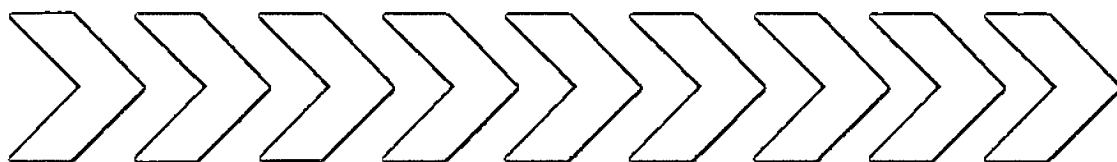


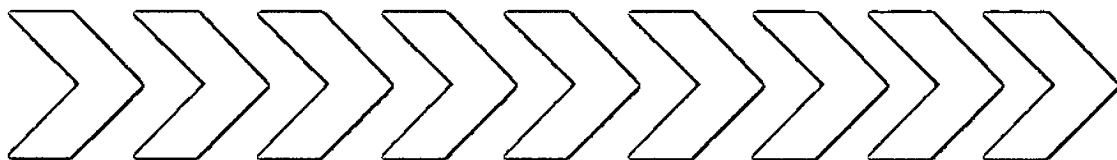
ACTIVE NATION

Active Nation UK Ltd

A company limited by guarantee



Trustees' Report and Financial Statements Year ending 31 March 2018



Charity number 1047742

Company number 3072216



ACTIVE

A black and white illustration of several rolled-up mats or towels, each labeled with a different exercise class. The labels are: CLASSES, RUN, GYM, RIDE, SWIM, and RACKETS. Each label is accompanied by a small icon representing the activity: a person running for RUN, a person lifting weights for GYM, a bicycle for RIDE, a person swimming for SWIM, and a person playing tennis for RACKETS. The mats are arranged in a pile, with some overlapping others.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

ACTIVE

Trustees	A G Majakas (Chairman) D J Hughes B A James T Hewett
Managing Director	S R Martin
Company Secretary	G Holderness
Chief Executive Officer	R Paton
Senior Management Team	G Holderness K Lane M Learnihan D Rolls
Registered Office	Unit 1B Hatton Rock Business Centre Hatton Rock Stratford Upon Avon Warwickshire CV37 0NQ
Company Registration Number	3072216 (England and Wales)
Charity Registration Number	1047742 (England and Wales)
Bankers	National Westminster Bank Plc Camberley Branch 45 Park Street Camberley, Surrey GU15 3PA
Auditors	Wise & Co Chartered Accountants Statutory Auditors Wey Court West, Union Road Farnham, Surrey GU9 7PT
Solicitors	Stone King LLP 13 Queens Square Bath BA1 2HJ Herrington Carmichael 27 Broad Street Wokingham RG40 1AU

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Active Nation UK Ltd (the company) for the year ended 31 March 2018. 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 2015.

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 2017-18 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.

Additionally, consultants for 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. Contracts at South Derbyshire and Lincoln have recently been extended.

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.

STRATEGIC POSITIONING, OBJECTIVES AND REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Active Nation has worked hard to establish itself as a trusted partner for local authorities who themselves have experienced increasing financial pressure. Active Nation has found it extremely difficult to compete with larger organisations in its core market, and chosen specifically to diversify strategic growth opportunities away from management of traditional leisure centre contracts.

Particularly in the year, the Charity experienced the challenges of two exceptional items affecting the performance against budget. In Lincoln a delay to the refurbishment of Birchwood Leisure Centre impacted the business by 6-months and in Southampton a situation with glulam beams closed the swimming pool for 7 months (March – September). The cause of loss of income associated with Bitterne is currently in dispute between the main contractor PfP and the City Council and is due to be concluded in the summer of 2018 with Active Nation recouping the losses incurred.

Active Nation has presented a broad range of activities to its wider communities in the pursuit of its objective; to persuade the nation to be active. This has yielded significant growth in Supporter numbers. The continued development of the Brand Map which incorporates more exciting Events and Programmes to the Charity such as Active Warrior – Obstacle Course Racing, ActiveAbility – an award winning programme for Special Populations, and ParkLives – working with ukactive and Coca-Cola to utilise 'green space' for promoting activity within city centres. These are innovative and dynamic initiatives coupled with innovative campaigning, which has ensured that the Charity is well placed to continue to expand in future years.

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 2018

ACTIVE
NATION

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 2017-18 the Charity worked with the following local clients and managed the facilities detailed below:

REGION	VENUE
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 Paddling Pool 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



REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE
NATION

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. Supporter numbers increased by 11% to 194,000.

Using Sport England KPI benchmarks the Charity exceeded 4.3 million visits across all venues showing an increase of 400,000 on last year.

The continual investment and development into the new front of house and membership management system will allow the Charity to manage and utilise its data more effectively as well as ensuring its Supporters are targeted and informed with timely and relevant information.

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.

KPI	2017 - 2018	2016 - 2017	% Increase / Decrease
Income from charitable activities: Management Activities	£11,597,315	£11,447,932	1%
Income from charitable activities: Sports Subsidy	£1,329,854	£1,347,149	-1%
Employee Costs	£7,770,304	£7,637,138	2%
Net funds	£792,189	£882,028	-10%

QUALITY

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

Providing the backbone to the organisations quality approach is its Quality Management System and the web-based software 'Sharepoint' holds all the Charity's policies, procedures and operating standards ensuring consistency across the group.

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 were launched 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 disabled.

Active Nation was delighted to win the UKActive Healthy Partnerships awards for its 'ActiveAbility' initiative.

TECHNOLOGY

The Trustees' commitment and investment to a new front of house and membership system, access control systems, direct debit management system and a new supporter App was the major project for the Charity in 2017-18 and will continue in 2018-19.

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

The development of a series of dynamic quarterly campaigns saw Supporter subscriptions increase from 23,400 to 23,637 (after data cleansing) during the year. During the year, the Charity developed the Brand Map introducing the following initiatives across all venues:

ACTIVE EDUCATION

Education plays a big part of our mission, working with young people to help them discover sport and experience new activities. Working with local schools and colleges, we deliver a number of Physical activity programmes, like swim lessons, after school clubs, and even management of a schools sports facilities. An example of the programme is that over 10,000 children join us each week for swimming lessons nationwide.

ACTIVE NUTRITION https://www.youtube.com/watch?v=6cun9Jd_P1k

Whether you want to lose weight, gain weight or just maintain your weight, Nutrition is your key to success. So we've developed an online portal that will help you get the best recipes, advice and tracking for your individual goals. Over 50,000 people have had access to the portal so far, using it to get the right fuel to support their workouts, lifestyle and goals.

ACTIVE EVENTS <https://www.youtube.com/watch?v=wtpluAdufX0>

As a charity we don't want to be stuck within the four walls of a sport venue. We love getting out into the local community and delivering activities. Our events do just that, inspiring people to take part in Active Warrior obstacle courses, Kids Tryathlons and Colour Runs. Over 10,000 people have joined us for our Active Warrior obstacle courses to take on the challenge from ages 5-85 proving that anyone can have a go. Whilst our Kids Tryathlons have worked with over 50 schools nationwide to offer children a chance to try free activities that they wouldn't normally get to have a go at in their PE lessons, such as golf, skiing, climbing and more.

ACTIVE ABILITY https://www.youtube.com/watch?v=aNuxX2ae_ps

The award winning ActiveAbility programme is all about making sports and activity accessible to individuals with a disability. In 2017 we helped over 1,200 people with a disability get active, delivering over 15,000 hours of activities across 105 different activities.

ACTIVE RESEARCH

Research is a big part of our charities work. Making sure that what we are doing has public benefit, is helping to improve the lives and health of those taking part and something that is habitual long term. Working with universities, governing bodies and private organisations we have helped to contribute to many nationwide studies that have changes the way we look at physical activity.

ACTIVE COMMUNITY https://www.youtube.com/watch?v=RbTpaGnF_NM

Our Active Community programme means that we get out of the leisure venue and into the open spaces and parks to deliver sports and exercise sessions. We deliver over 32 activities a week in over 10 outdoor parks and open spaces across the UK, attracting over 20,000 people to take part in a free activity.

ACTIVE HEALTH <https://www.youtube.com/watch?v=ZGJ7Ej7f96U>

Being physically active for 150 minutes or more per week is proven to reduce the incidences of over 20 chronic diseases. So health plays a big agenda in why our charity exists, and our message of being active has such importance to us. Our Active Health programme, gives us an opportunity to work with other health organisation to focus on this message. Working with health organisations and technology companies we are working on developing an outreach programme and measurement tool for helping more of the nation to be active.

ACTIVE PEOPLE <https://www.youtube.com/watch?v=uRXACMv5bEU>

There are lots of people who are brilliant and most definitely an inspiration to others! We work with lots of Active Heroes who share their stories to inspire others about life changing results from exercise, Active Buddies who want to team up with others to help them stay committed and focused on achieving their goals, and Active Workforce's who are teams of colleagues who exercise together to improve moral and absenteeism. Each month we focus on different Active Heroes to share stories of those that have an inspirational story to tell, featuring on our website and often national media. It's a difficult thing to measure the success of, but we'll never stop spreading the word of how great being active can be.

ACTIVE #JUSTTRYIT DAYS <https://www.youtube.com/watch?v=shvelW8nUf0>

Our Just Try It days are a chance for you to try something new. It could be an activity you've always wanted to have a go at or maybe even something you've not done in years. Over a full weekend we open our doors and let you have a go at our activities for free to get you involved. Over 75,000 have taken part in our Just Try It events from communities all across the UK, visiting our venues to try an activity.

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 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.

Engagement is undertaken locally in meetings and training sessions, and as appropriate through venue and contract specific surveys. However, each month an anonymous NPS survey is conducted on approximately 20% of the staff (through both work and personal emails) to check the 'pulse' of the team and ask for narrative feedback. The resultant scores and themes are reported to the trustees monthly. BRILLiANT Ideas and BRILLiANT recognition schemes also motivate staff to be involved in the business.

To further improve our cultural alignment, we also changed one of the company's cultural 'values' this year, replacing 'responsive' with 'proactive'. A new video has been produced and shared with all staff, to reinforce our cultural values and we have just started a two year development programme with leaders reminding them how to show BRILLiANT behaviour in their management style; BRILLiANT being the acronym of how to Build Relationships, demonstrate Integrity, Lead by example, Love It – 'enthusiasm is infectious', live the Active Nation values of enthusiasm, responsibility and proactive, and ensuring Teamwork. This series of webinars, one to one coaching and 360 degree appraisal will improve the skills of 40 business leaders across the organisation.

The Gender Pay Gap analysis during 2018 revealed a slight balance towards female employees and is available as a download on our website and of course on the government website.

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.

FUTURE PROSPECTS

The Trustees are heartened by the Charity's progress this year. The performance provides much confidence that the promotion of the Charity's objectives can be extended to a far greater range of partnerships across the country in the future. Significant investment that has been generated in its contracts at Lincoln and South Derbyshire, the subsequent improvement in facilities and long-term extensions to those contracts, provides ample evidence of the effectiveness and success of the Charity's approach. 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.

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

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, accounting for only 11% of incoming resources. The loss of income at Bitterne Leisure Centre (£300k) following the closure of the pool, along with the delayed opening of the refurbished venue at Birchwood, have been the main contributors to the fall in cash at bank and in hand to £849,349.

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 Charity will be developing a Business Continuity Plan and will be combining this with its Risk register in 2018-19.

The charity has put in place 'energy benchmarking clauses' in three contracts which protect the organisation from above inflation tariff increases.

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

RESERVES

The Trustees are pleased to report unrestricted reserves of £792,189, 5% of Total Income (target 5%) (2017: £882,028). This is sufficient to sustain the support function.

Approved by the Board of Trustees and signed by:


Tony Majakas
Chairman

24/9/18
Date

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.

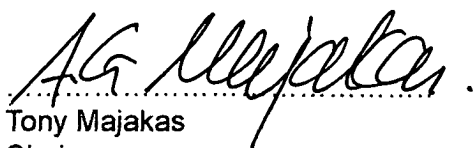
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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
- 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 24/9/18 and signed on their behalf by:



Tony Majakas
Chairman

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF ACTIVE NATION

ACTIVE
NATION

We have audited the financial statements of Active Nation UK Ltd for the year ended 31 March 2018 set out on pages 21 to 40. 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 charitable company's affairs as at 31 March 2018 and of the 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 charitable company 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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF ACTIVE NATION

ACTIVE

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

We have nothing to report in this regard.

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

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.

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. The description forms part of our Auditor's 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.

Turner

Treena Turner 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

Date: *26 September 2018*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

ACTIVE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	All unrestricted and restricted Funds 2017
		£	£	£	£
INCOME	Notes				
Income from generating funds	2	613,181	-	613,181	693,473
Income from charitable activities	3	12,927,169	-	12,927,169	12,795,081
Other income	4	750,402	209,124	959,526	669,467
Total income		14,290,752	209,124	14,499,876	14,158,021
EXPENDITURE					
Cost of raising funds		565,550	-	565,550	603,065
Charitable activities		13,761,322	262,844	14,024,166	13,492,371
Total expenditure	5	14,326,872	262,844	14,589,716	14,095,436
Net (expenditure) / income		(36,120)	(53,720)	(89,840)	62,585
Transfer between funds		-	-	-	-
Net Movement in funds		(36,120)	(53,720)	(89,840)	62,858
Total funds brought forward		828,308	53,720	882,028	819,443
Total funds carried forward		792,188	-	792,188	882,028

All amounts derive from continuing operations.
The notes on pages 26 to 40 form part of these financial statements.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2018

ACTIVE

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2018

	Notes	2018	2017
		£	£
Fixed assets			
Intangible Assets	9	20,771	-
Tangible assets	10	819,838	714,582
		<u>840,609</u>	<u>714,582</u>
Current assets			
Stock	13	83,128	77,818
Debtors	14	1,307,873	641,993
Cash at bank and in hand		849,349	1,564,712
		<u>2,240,350</u>	<u>2,284,523</u>
Less: Creditors – Amounts falling due within one year	15	2,187,871	2,117,077
Net current assets		<u>52,479</u>	<u>167,446</u>
Less: Creditors - Amounts falling due after more than one year	16	100,889	-
NET ASSETS		<u>792,189</u>	<u>882,028</u>
Funds			
Restricted funds	23	-	53,720
Previous Years Unrestricted Funds		828,310	715,333
Unrestricted Funds for year		(36,121)	112,977
NET FUNDS		<u>792,189</u>	<u>882,028</u>

The financial statements were approved by the Board on 24/9/18 and signed on its behalf by:


Tony Majakas
Chairman

CHARITY BALANCE SHEET AT 31 MARCH 2018

REGISTERED NUMBER 3072216


ACTIVE

CHARITY BALANCE SHEET AT 31 MARCH 2018

REGISTERED NUMBER 3072216

	Notes	2018	2017
		£	£
Fixed assets			
Intangible assets	9	20,771	-
Tangible assets	10	819,838	714,582
Investment in subsidiary	11	1	1
		<u>840,610</u>	<u>714,583</u>
Current assets			
Stock	13	83,128	77,818
Debtors	14	1,397,978	833,606
Cash at bank and in hand		849,349	1,463,206
		<u>2,330,455</u>	<u>2,374,630</u>
Less: Creditors – Amounts falling due within one year	15	2,187,871	2,117,077
Net current assets		<u>142,584</u>	<u>257,553</u>
Less: Creditors - Amounts falling due after more than one year	16	100,889	-
NET ASSETS		<u>882,295</u> =====	<u>972,136</u> =====
Funds			
Restricted funds	23	-	53,720
Previous Years Unrestricted Funds		918,416	805,439
Unrestricted Funds for year		(36,121)	112,977
NET FUNDS		<u>882,295</u> =====	<u>972,136</u> =====

The financial statements were approved by the Board on 24/9/18 and signed on its behalf by:


Tony Majakas
Chairman

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	A	(471,394)	516,482
Cash flows from investing activities:			
Dividends, interest and rents from investments		(2,852)	2,912
Purchase of property, plant and equipment		(485,818)	(371,228)
Net cash provided by/(used in) investing activities		<u>(488,670)</u>	<u>(368,316)</u>
Cash flows from financing activities:			
Repayment of borrowing		(21,844)	-
Cash inflows from new borrowing		266,544	-
Net cash provided by/(used in) financing activities		<u>244,700</u>	<u>-</u>
		=====	=====
Change in cash and cash equivalents in the reporting period		(715,364)	148,166
Cash and cash equivalents at 1 April 2017		1,564,712	1,416,546
Cash and cash equivalents at 31 Mar 2018	B	<u>849,348</u>	<u>1,564,712</u>
		=====	=====

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE
NATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(89,840)	62,585
Adjustments for:		
Depreciation & Ammortisation	359,793	268,604
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	2,852	(2,912)
Loss/(profit) on the sale of fixed assets	-	236
(Increase)/decrease in stock	(5,311)	1,431
(Increase)/decrease in debtors	(665,880)	180,990
Increase/(decrease) in creditors	(73,008)	5,548
Net cash inflow/(outflow) from operating activities	(471,394) =====	516,482 =====

B. Analysis of cash and cash equivalents

	2018 £	2017 £
Change in cash and cash equivalents In the reporting period	(715,364)	148,166
Cash and cash equivalents at 1 April 2017	1,564,712	1,416,546
Cash and cash equivalents at 31 Mar 2018	849,348 =====	1,564,712 =====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE
NATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 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 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.

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.

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 Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

1.10 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation 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 or remaining life of management contract.
Office and major equipment:	lower of life of asset or remaining life of management 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

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 prepaid 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

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 are pleased to report a net income of £89,840 for the year ended 31st March 2018.

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.

2 Income from generating funds

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income from Trading Subsidiary	-	-	-	-
Income from Ancilliary Activities	613,181	-	613,181	693,473
Total	613,181	-	613,181	693,473
	=====	=====	=====	=====

In 2017 all income was unrestricted

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE
NATION

3 Income from Charitable Activities

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Management Activities	11,597,315	-	11,597,315	11,447,932
Sports Subsidy from Local Authorities	1,329,584	-	1,329,584	1,347,149
Total	12,927,169	-	12,927,169	12,795,081

In 2017 Restricted £140,965, Unrestricted £12,654,116.

4 Other Income

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Consultancy	13,854	-	13,854	36,658
Car park, dryers	324,519	-	324,519	273,638
Loss of income claim	300,356	-	300,356	-
Funding	85,896	209,124	295,020	343,868
Events	25,777	-	25,777	15,303
Total	750,402	209,124	959,526	669,467

In 2017 all income was unrestricted.

5 Expenditure

	Staff costs (see note 8) £	Other direct costs £	Total 2018 £	Total 2017 £
Cost of raising funds:				
General	155,406	105,858	261,264	252,942
Trading expenses	-	-	-	-
Cost of sales of ancillary activities	-	304,286	304,286	350,123
Charitable Activities:				
Charitable expenditure	7,614,898	5,645,716	13,260,615	12,688,817
Support costs (governance)	-	632,978	632,978	662,171
Management and administration	-	130,573	130,573	141,383
Total	7,770,304	6,819,411	14,589,716	14,095,436

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

5 Expenditure (contd)

	Direct Costs 2018 £	Support 2018 £	Total 2018 £	Total 2017 £
Wages & Salaries	7,614,898	155,406	7,770,304	7,637,138
Agency/External Staff	251,044	7,764	258,808	264,479
Travel & subsistence	182,917	5,657	188,574	166,089
Utilities	1,199,136	37,087	1,236,223	1,185,471
Establishment	1,829,483	29,700	1,859,183	1,624,540
Marketing	299,800	9,272	309,072	313,875
Service Charges	90,303	1,843	92,146	89,739
Insurance	240,839	7,449	248,288	256,402
Irrecoverable VAT	750,289	-	750,289	630,363
Sundry Expense	20,325	-	20,325	21,575
Rates & rent	151,405	1,529	152,934	152,762
Licences	179,673	5,557	185,230	169,115
Local Authority Payment	450,503	-	450,503	430,212
Administration	-	472,823	472,823	525,705
Legal & Professional	-	254,719	254,719	241,606
Audit & Accountancy	-	36,009	36,009	36,242
Cost of Sales (ancillary)	-	304,286	304,286	350,123
Total	12,688,817	1,406,619	14,095,436	13,646,367

In 2017, £140,965 related to restricted fund expenditure.

6 Net movement in funds for the year

	2018 £	2017 £
Net movement in funds for the year are stated after charging:		
Hire of plant and machinery	469,158	435,574
Depreciation: - owned assets	330,811	268,604
- leased assets	28,982	-
Audit fees - group	36,009	36,242
- charity	36,009	36,242

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE TRUST

7 Governance

	2018 £	2017 £
Support Costs	632,978	662,171
Audit Fees	36,009	36,242
Management and Admin	94,564	105,141
	<u>763,551</u>	<u>803,554</u>
	=====	=====

8 Staff costs

	2018 Number	2018 FTE	2017 Number	2017 FTE
The average number of persons (excluding trustees) employed was:				
Service delivery: direct support	780	359	795	354
Support costs	4	4	3	3
Management and administration	5	5	5	5
	<u>789</u>	<u>368</u>	<u>803</u>	<u>362</u>
	=====	=====	=====	=====

	2018 £	2017 £
The cost incurred in respect of these employees was:		
Wages and salaries	7,226,711	7,116,603
Social security costs	396,076	388,271
Pension costs	147,517	132,264
	<u>7,770,304</u>	<u>7,637,138</u>
	=====	=====

Included in the above are termination/redundancy payments totalling £10,000

	2018 Number	2017 Number
The number of employees whose emoluments exceeded £60,000 in the year were:		
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£90,000 - £100,000	1	-

Total gross pay including social security costs of key management was £412,187 (2017 £359,241).

The pension contributions made by the employer on behalf of the key management was £18,685 (2017 £16,310) None of the trustees received any remuneration from the Charity (2017 : nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE TRADING

9 Intangible Fixed Assets:

	Software £
Cost	
At 1 April 2017	-
Additions	24,121
At 31 March 2018	24,121
Amortisation	
At 1 April 2017	-
Charge for the year	3,350
At 31 March 2018	3,350
Net book value	
At 31 March 2018	20,771
At 31 March 2017	-

10 Tangible fixed assets:

	Building improvements £	Office and major equipment £	Total £
Cost			
At 1 April 2017	891,150	1,164,795	2,055,945
Additions	123,246	338,451	461,697
Disposals	-	-	-
At 31 March 2018	1,014,396	1,503,246	2,517,642
Accumulated depreciation			
At 1 April 2017	631,519	709,844	1,341,363
Charge for the year	131,504	224,936	356,440
Disposals	-	-	-
At 31 March 2018	763,023	934,780	1,697,803
Net book values			
At 31 March 2018	251,373	568,466	819,838
At 31 March 2017	259,631	454,951	714,582

Included in equipment costs is NBV of £101,359 held under finance leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE
NATION

11 Investments held as fixed assets

Charity

Shares in subsidiary undertaking
£

At 1 April 2016 and 31 March 2017

1

=====

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 Nation UK Ltd. The value of the net liabilities of Active Nation UK Trading Limited at 31 March 2018 was £90,108 (2017: £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 £89,840

13 Stock

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Goods for resale	83,128	77,818	83,128	77,818

The amount of stock recognised as expenditure in the year was £304,286 (2017: £350,123)

14 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade Debtors	505,808	291,947	505,808	291,947
Other Debtors	401,152	-	401,152	-
Prepayments and accrued income	400,913	350,046	400,913	350,046
Amounts owed by subsidiary company	-	-	90,105	91,613
	1,307,873	641,993	1,397,978	833,606
	=====	=====	=====	=====

All debtors are due within one year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

15 Creditors - Amounts falling due within one year

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Trade Creditors	488,259	472,222	488,259	472,222
Other Creditors	161,435	25,678	161,435	25,678
Accruals and deferred income	1,376,074	1,475,209	1,376,074	1,475,209
Social security and other taxes	162,103	143,968	162,103	143,968
	<u>2,187,871</u>	<u>2,117,077</u>	<u>2,187,871</u>	<u>2,117,077</u>
	=====	=====	=====	=====

The bank hold an inter-company guarantee dated 25th 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 2018 £	2017 £	Charity 2018 £	2017 £
Other Creditors	100,899	-	100,899	-
	<u>100,899</u>	<u>-</u>	<u>100,899</u>	<u>-</u>
	=====	=====	=====	=====

17 Deferred Income

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Opening Deferred Income	526,859	634,110	526,859	634,110
Deferred income released in year	(526,859)	(634,110)	(526,859)	(634,110)
Income deferred in year	594,239	526,859	594,239	526,859
Closing deferred income	<u>594,239</u>	<u>526,859</u>	<u>594,239</u>	<u>526,859</u>
	=====	=====	=====	=====

£387,703 advance memberships, £206,536 advanced bookings

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE

19 Analysis of Net Assets between funds

	Unrestricted £	Restricted (note 23) £	Total £
Tangible Fixed Asset	819,838	-	819,838
Intangible Fixed Asset	20,771	-	20,771
Current assets	2,240,350	-	2,240,350
Creditors due in less than one year	(2,187,871)	-	(2,187,871)
Creditors due after one year	(100,899)	-	(100,899)
Net Assets	792,189	-	792,189

20 Operating Lease Commitments

The Charity's commitments under operating leases are:

	Land and Buildings 2018 £ net	Plant and Machinery 2018 £ net	Land and Buildings 2017 £ net	Plant and Machinery 2017 £ net
Within 1 year	157,324	282,898	171,241	143,828
2 to 5 years	382,583	459,082	800,408	128,636
After 5 years	613,333	-	-	-
	1,153,240	741,980	971,649	272,464

The commitments identified above attract VAT. The company is partially exempt and 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 £ net
Within 1 year	3,000
2 to 5 years	-
	3,000

21 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACTIVE
NATION

22 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 £147,517 (2017: £132,264). At the year-end there were payments of £17,634 (2017: £16,905) due.

23 Statement of Funds

	Brought Forward £	Income £	Expenditure £	Transfers In/Out £	Carried Forward £
General funds					
General Purpose Fund	828,308	14,290,752	14,326,872		792,189
Total Unrestricted funds	828,308	14,290,752	14,326,872		792,189
	Brought Forward £	Income £	Expenditure £	Transfers In/Out £	Carried Forward £
Restricted funds					
Green Bank redevelopment	38,411	-	38,411	-	-
Woodmill Fencing	2,471	-	2,471	-	-
South Derbyshire IFI equipment	8,495	-	8,495	-	-
Southampton locker room flooring	2,157	-	2,157	-	-
Southampton My Zone belts	2,186	-	2,186	-	-
ActiveAbility Sport England	-	27,417	27,417	-	-
Tesco Bags for All	-	9,000	9,000	-	-
ShortBreaks	-	12,025	12,025	-	-
ParkLives Southampton	-	65,185	65,185	-	-
Southampton Healthy Living	-	22,533	22,533	-	-
Special Olympics	-	5,000	5,000	-	-
Ofsted Nursery Funding	-	67,964	67,964	-	-
Total Restricted funds	53,720	209,124	262,844	-	-
Total of funds	882,028	14,499,876	14,589,716	-	792,189

24 Related party transactions

No transactions with related parties occurred in the year are required to be disclosed under FRS 102 SORP.

Reimbursement of expenses

A total of £1,638 travel & subsistence expenses were paid to 3 trustees (2017: 3 trustees £3,122 for travel & subsistence)

During the year professional indemnity insurance covering the Trustees for up to £2m was in place at a cost of £735 (2017: £805)

25 Controlling party

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