

ACTIVE NATION UK LTD
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ACTIVE NATION UK LTD
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

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 G Holderness - left 22/10/21 D Rolls - left 19/03/21 S Tasker

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report incorporating the directors report and strategic report together with the audited financial statements of Active Nation UK Ltd (the company) for the year ended 31 March 2022. 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 FRS 102 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", effective 1 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance and Constitution

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

- to promote amateur sports including in particular the Sports;
- to promote community participation in healthy recreation, in particular by the provision of facilities for the learning, teaching and playing of the Sports.
- to advance education in health in particular, but not exclusively, by the provision of training and information for health or fitness professionals, coaches, instructors and the general public.
- the "Sports" includes, but is not limited to, badminton, basketball, climbing, cricket, judo, football, gymnastics, hockey, netball, swimming, table tennis, tennis and volleyball.

The Charity has a simple cause-led mission - Persuading the Nation to be Active. Under this simple but purposeful mission, the charity delivers what really matters to communities; exciting sports and exercise programmes which encourage them to sustain a healthy lifestyle. The Board of Trustees administer the Charity and determine Strategy and Policy. The Board meets a minimum of 4 times per year with sub-committees meeting as and when necessary. The Managing Director has delegated authority, set out by the Board, to progress implementation of the Charity's strategy. The Managing Director is responsible for the implementation and day to day monitoring of the decisions of the Board and provides monthly financial reports on each contract together with details of Strategy Implementation, Business Development and Operational Matters. Supporting the Managing Director during 2020-21 was a Central Support Team consisting of a Finance Director, Commercial Director, Operations Director and Well-Being Director. Members of the Central Support Team provided support to the Charity's contracts assisting the Business Managers and their teams at a local level.

Report of the Trustees for the Year ended 31 March 2022

Additionally, consultants for Business Advice, Health and Safety, Human Resources, IT & Cost Control also provide specialist information and advice to the organisation. The principal risks and uncertainties facing the Charity are reviewed regularly by the Central Support Team and systems or procedures have been established to manage these risks. Each contract is managed by a Business Manager supported by a comprehensive staffing establishment. Business Managers and key Central Support staff meet on a monthly basis to discuss the performance of the contracts and examine key issues to assist with the provision of comprehensive reports for the Board of Trustees. These reports also contain recommendations for future decisions and strategy.

Recruitment and Appointment of Trustees

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

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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.

The Trustees, who were also Directors, that served during the year were:

D J Hughes

S Lambert

A G Majakas (resigned 24 August 2021)

B A James (resigned 22 March 2022)

D L Clayton (appointed 1 March 2022)

The following were also Directors of the company during the year:

S Chahal (resigned 23 March 2022)

S R Martin (resigned 24 March 2022)

STRATEGIC POSITIONING, OBJECTIVES AND REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Throughout the year, our leadership team have continued a process of repositioning Active Nation from being seen as a sport & exercise led company towards becoming a health & well-being charity. The reopening of our business following Pandemic enforced closures has marked an encouraging recovery of the performance of the Charity assessed in terms of financial performance and participation across all areas of the organisation.

Active Nation is emerging positively from the current challenges and is developing a new focus, not simply delivering sport and exercise, but providing a broad-based wellness solution that supports the health and happiness of our communities. We have moved our emphasis from 'sector' to 'eco-system', from 'market' to 'community' and from 'fitness and leisure' to 'health and wellness'. What has been clear across the last 12 months is that at a time of ill-health for many, there was a clear absence of good health (through physical activity) being reached for as a beacon to renew and emerge in better shape.

We are no longer a facility-centric organisation that promotes a limited proposition of gyms and leisure centres and we're extending our well-being solutions online because they meet the physical and mental health needs of the population as exercise and consumer behaviour has changed. Our gyms, studios, and leisure centres are an important part of the physical activity landscape, but they are only a part as our proposition needs to satisfy the needs of not only 15% of the population currently.

For many years, participation in regular exercise in facilities has failed to have a transformational effect upon overall participation across the UK. Despite our quality being better, our capacity increasing and the cost of our 'fitness/swimming' price never being more affordable, increases in participation have been marginal. Add to that the fact that deep health inequalities remain in our society and we are forced to acknowledge that the impact we make upon our communities could be so much greater.

Our approach beyond covid-recovery with Active Nation is being delivered differently. While our venues perform an important role,

the health of our communities will not be improved by gyms and leisure centres alone; it will be determined by how effective the whole physical activity and health eco-system can be in aggregating its effort and elevating the value of exercise into the consciousness of our communities.

We know there is an opportunity, we recognise there is a need and Active Nation is adapting to highlight the problem it solves, not just the products it sells. Following the Pandemic there is a greater appreciation that physical activity is a real inhibitor to major chronic disease. We know that a large proportion of the population remain physically inactive. The pandemic has disrupted the exercise patterns of many, and we know that those who are more socio-economically disadvantaged have the least propensity to exercise. It is also clear that

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people from those groups that do exercise, have been affected the most.

We know too that there has been a massive response in the digital world. The likes of Apple, Google and Amazon have made serious entries into the health and fitness arena – and these are companies that really know how to nudge and influence behaviour. We know that home working is likely to be more prevalent in the future and the population is starting to appreciate that working out at home or from home is increasingly accessible. Connecting and supporting those people in the future will be critical. We know that the economic pressures may be too much for some operators to survive long term, but that there will remain many people for whom facilities provide not only the breadth of physical activity they crave but social interaction too.

Our new mission “To inspire the nation to improve their health and well-being” has been designed to achieve our vision of being “The number one health and well-being Charity in the UK.”

In July, Active Nation was successful in winning a 15-year leisure management contract working in partnership with Filton Town Council. Active Nation is to manage Filton Sports Centre near Bristol commencing on the 1st November. This will be followed by a £4.5M refurbishment of the venue which will commence in the summer of 2022. In January 2021, the Charity was also awarded a 3-year contract, with an option to extend by 1 year, for the ‘back-office support services’ with Active Torridge, part of Torridge District Council. Under the terms of this contract Active Nation will support finance, CRM and web solutions. In addition to the new contracts awarded, the charity is actively seeking new opportunities, extending existing contracts and exploring partnerships and collaborations with likeminded organisations to continue the growth of the Charity.

In our existing business Active Nation continues to work hard to establish itself as a trusted partner for local authorities who themselves are continuing to experience increasing financial pressures. Active Nation has found it 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.

Our technology-led operating model and continual investment into CRM systems has enabled us to improve our Supporter experience. This in turn allows us to continually inform our business strategy with comprehensive data and manage the experience of all users.

Finally, Active Nation continued to invest into ‘Our People’ and in many cases offered a coaching and mentoring programme to all leaders across the business as part of their ongoing personal development in the organisation.

The Leadership Team continues to visit sites regularly to support local leadership backing the roll-out of activities. Our venues, especially the older facilities, are becoming more costly to manage and much is being written about the current uncertain economic times. We continue to expect to perform well; our high quality, outstanding value fitness proposition will remain relevant even if the economy becomes more subdued.

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.

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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 2021-22 the Charity worked with the following local clients and managed the facilities detailed

below:

City of Lincoln Council	Yarborough Leisure Centre and Birchwood Community Leisure Centre
Rushmoor Borough Council	Alpine Snowsports Centre, Aldershot
Southampton City Council	Quays Swimming & Diving Complex
	Bitteme Leisure Centre
	Chamberlayne Sports Centre
	Outdoor Sports Centre
	Woodmill Outdoor Activities Centre
	Southampton Water Activities Centre
	Alpine Snowsports Centre, Southampton
	Southampton City Council (Public Health) Exercise on Referral Scheme
South Derbyshire District Council	Green Bank Leisure Centre
	Etwell Leisure Centre
Runcorn	Active Nation Runcorn
Basingstoke	Atmosphere
Lymington	Boutique Fitness
Long Eaton	Active Nation Long Eaton (low-cost fitness)
Preston Active Nation	Preston (low-cost fitness)
Ormskirk Active Nation	Ormskirk (low-cost fitness)
Filton (Bristol)	Filton Leisure Centre – contract commenced 1st November 2021

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.

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's

KPI	2021/2022	2020/2021
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Income from charitable activities:

Management Activities	£8,796,282	£2,151,859
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Income from charitable activities:

Sports Subsidy	£1,036,424	£1,960,066
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Employee Costs	£6,065,925	£5,626,270
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Net Funds	(£2,848,132)	(£1,763,826)
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Quality

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

Social Inclusion Initiatives

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

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

Technology

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

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

Trustees

The Charity continues to have a keen approach to governance, determining the key strategic direction and meeting on a quarterly basis. As the Charity continues to work hard to overcome the

financial challenges that remain, Trustees have played an active role in reviewing the financial performance and supporting the management team. They consider that significant progress has been made during an exceedingly challenging year. The Charity has positioned itself to advance its good cause and is excited about the future partnerships that can develop from this more robust base.

Management

Continuing to build upon the development of the 'Brilliant' Active Nation Manager programme, the organisation has further developed the '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

A full year of commenced following the reopening of Fitness venues on the 12th April 2021. Recovery under operating restrictions was positive returning supporter restrictions to 85% of the pre-pandemic levels.

Employment & Internal Communications

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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.

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

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

Trading Subsidiary

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

Going Concern

The Charity will continue to explore opportunities in its core market, but it also believes that its experience in Public Health contracts (Southampton and contracts in educational settings (Yarborough & Etwell) will enable the Charity to position itself and capitalise upon extending its objectives across broader markets and communities.

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

The Charity continues to look at expenditure and reduce where they can, gaining more competitive deals, especially around energy and other high value contracts. A number of payment plans have also been set up to clear legacy debt which built up within COVID.

The Charity has also gone through a restructure to streamline staff and reduce costs.

The Charity made a loss of £1,084,306 in the year to 31st March 2022, and a loss of £1,364,079 in the year to 31st March 2021, and had net liabilities of £2,848,132 for 31st March 2022 and £1,763,826 for 31st March 2021.

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

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

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trusts.

Investment and Risk Management

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

forecasts.

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

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

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

The Chairman meets weekly with the Managing Director and other officers as necessary to review

key matters arising between Board meetings.

Reserves

The Charity generates most of its funds via subscriptions and doesn't carry out significant fund raising activities. Whilst the Balance Sheet shows unrestricted reserves of (£2,848,132) for FY22.

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.

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

DJ Hughes
Chairman

Date: 27 June 2023

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

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 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 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: 27 June 2023

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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 2022 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 2022 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 £1,084,306 for the year ended 31 March 2022 and net liabilities of £2,848,132. 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.

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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

27 June 2023

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note				
Income from:					
Charitable activities	4	9,832,706	-	9,832,706	4,111,927
Generating funds	5	161,031	-	161,031	40,265
Other income	6	1,301,273	611,728	1,913,001	4,322,660
		<u>11,295,010</u>	<u>611,728</u>	<u>11,906,738</u>	<u>8,474,852</u>
Expenditure on:					
Charitable activities	7	12,991,044	-	12,991,044	9,838,931
		<u>12,991,044</u>	<u>-</u>	<u>12,991,044</u>	<u>9,838,931</u>
Net (expenditure)/income		(1,696,034)	611,728	(1,084,306)	(1,364,079)
Transfers between funds	22	611,728	(611,728)	-	-
		<u>(1,084,306)</u>	<u>-</u>	<u>(1,084,306)</u>	<u>(1,364,079)</u>
Net movement in funds		(1,084,306)	-	(1,084,306)	(1,364,079)
Reconciliation of funds:					
Total funds brought forward		(1,763,826)	-	(1,763,826)	(399,747)
Net movement in funds		(1,084,306)	-	(1,084,306)	(1,364,079)
		<u>(2,848,132)</u>	<u>-</u>	<u>(2,848,132)</u>	<u>(1,763,826)</u>
Total funds carried forward		(2,848,132)	-	(2,848,132)	(1,763,826)

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 46 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 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	25,000	36,000
Tangible assets	13	198,242	399,679
		<u>223,242</u>	<u>435,679</u>
Current assets			
Stocks	15	38,788	44,396
Debtors	16	1,316,551	1,494,447
Cash at bank and in hand		615,495	1,076,629
		<u>1,970,834</u>	<u>2,615,472</u>
Creditors: amounts falling due within one year	17	(3,423,370)	(3,223,484)
Net current liabilities		<u>(1,452,536)</u>	<u>(608,012)</u>
Total assets less current liabilities		<u>(1,229,294)</u>	<u>(172,333)</u>
Creditors: amounts falling due after more than one year	18	(1,163,983)	(1,591,493)
Provisions for liabilities		(454,855)	-
Total net liabilities		<u><u>(2,848,132)</u></u>	<u><u>(1,763,826)</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	(2,848,132)	(1,763,826)
Total funds		<u><u>(2,848,132)</u></u>	<u><u>(1,763,826)</u></u>

ACTIVE NATION UK LTD
(A company limited by guarantee)
REGISTERED NUMBER: 03072216

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

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: 27 June 2023

The notes on pages 20 to 46 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 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	25,000	36,000
Tangible assets	13	198,242	399,679
Investments	14	1	1
		<u>223,243</u>	<u>435,680</u>
Current assets			
Stocks	15	38,788	44,396
Debtors	16	1,316,550	1,494,447
Cash at bank and in hand		615,495	1,076,629
		<u>1,970,833</u>	<u>2,615,472</u>
Creditors: amounts falling due within one year	17	(3,423,370)	(3,223,484)
Net current liabilities		<u>(1,452,537)</u>	<u>(608,012)</u>
Total assets less current liabilities		<u>(1,229,294)</u>	<u>(172,332)</u>
Creditors: amounts falling due after more than one year	18	(1,163,983)	(1,591,493)
Provisions for liabilities		(454,855)	-
Total net liabilities		<u><u>(2,848,132)</u></u>	<u><u>(1,763,825)</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	(2,848,132)	(1,763,825)
Total funds		<u><u>(2,848,132)</u></u>	<u><u>(1,763,825)</u></u>

ACTIVE NATION UK LTD
(A company limited by guarantee)
REGISTERED NUMBER: 03072216

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The Charity's net movement in funds for the year was £(1,084,306) (2021 - £(1,364,079)).

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: 27 June 2023

The notes on pages 20 to 46 form part of these financial statements.

ACTIVE NATION UK LTD
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(135,173)	(684,799)
Cash flows from investing activities		
Dividends, interests and rents from investments	-	(11,062)
Proceeds from the sale of tangible fixed assets	-	(759)
Purchase of tangible fixed assets	(77,663)	-
Net cash used in investing activities	(77,663)	(11,821)
Cash flows from financing activities		
Cash inflows from new borrowing	-	1,600,000
Repayments of borrowing	(248,300)	(163,404)
Net cash (used in)/provided by financing activities	(248,300)	1,436,596
Change in cash and cash equivalents in the year	(461,136)	739,976
Cash and cash equivalents at the beginning of the year	1,076,630	336,654
Cash and cash equivalents at the end of the year	<u>615,494</u>	<u>1,076,630</u>

The notes on pages 20 to 46 form part of these financial statements

ACTIVE NATION UK LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

ACTIVE NATION UK LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.2 Going concern

The Charity will continue to explore opportunities in its core market, but it also believes that its experience in Public Health contracts (Southampton and contracts in educational settings (Yarborough & Etwell)) will enable the Charity to position itself and capitalise upon extending its objectives across broader markets and communities.

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

The Charity continues to look at expenditure and reduce where they can, gaining more competitive deals, especially around energy and other high value contracts. A number of payment plans have also been set up to clear legacy debt which built up within COVID.

The Charity has also gone through a restructure to streamline staff and reduce costs.

The Charity made a loss of £1,084,306 in the year to 31st March 2022, and a loss of £1,364,079 in the year to 31st March 2021, and had net liabilities of £2,848,132 for 31st March 2022 and £1,763,826 for 31st March 2021.

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

ACTIVE NATION UK LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022 £	Total funds 2022 £	<i>Tot. fun- 20.</i>
Management Activities	8,796,282	8,796,282	2,151,861
Sports Subsidy from Local	1,036,424	1,036,424	1,960,066
Total 2022	<u>9,832,706</u>	<u>9,832,706</u>	<u>4,111,927</u>
<i>Total 2021</i>	<u>4,111,927</u>	<u>4,111,927</u>	

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Income from generating funds

	Unrestricted funds 2022 £	Total funds 2022 £	Tot. fun. 20.
Income from Ancilliary Activities	161,031	161,031	40,265
<i>Total 2021</i>	40,265	40,265	

6. Other income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Tot. fun. 20.
Car park, dryers	741,566	-	741,566	374,925
Funding	555,262	611,728	1,166,990	3,947,465
Events	4,445	-	4,445	270
Total 2022	1,301,273	611,728	1,913,001	4,322,660
<i>Total 2021</i>	4,322,660	-	4,322,660	

Within unrestricted funding £225,609 (2021 - £3,320,888) relates to Government Furlough Scheme and £329,653 (2021 - £626,578) local support, restart grants and other funding.

Within restricted funding £125,156 (2021 - £nil) relates to Holiday activity and food grants and £486,572 (2021 - £nil) relates to National leisure recovery funding.

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable expenditure	<u>12,991,044</u>	<u>12,991,044</u>	<u>9,838,931</u>
<i>Total 2021</i>	<u>9,838,931</u>	<u>9,838,931</u>	

Summary by expenditure type

	Staff costs 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Charitable expenditure	<u>6,065,926</u>	<u>6,925,118</u>	<u>12,991,044</u>	<u>9,838,931</u>
<i>Total 2021</i>	<u>5,626,269</u>	<u>4,212,662</u>	<u>9,838,931</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable expenditure	<u>11,790,393</u>	<u>1,200,651</u>	<u>12,991,044</u>	<u>9,838,931</u>
<i>Total 2021</i>	<u>8,991,246</u>	<u>847,685</u>	<u>9,838,931</u>	

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	2022	Total funds 2022	<i>Total funds 2021</i>
	£	£	£
Staff costs	5,944,606	5,944,606	5,513,744
Agency/External Staff	346,928	346,928	67,785
Travel & subsistence	60,615	60,615	6,815
Utilities	1,255,667	1,255,667	881,367
Establishment	2,229,274	2,229,274	1,365,380
Marketing	98,625	98,625	39,024
Service Charges	167,507	167,507	65,335
Insurance	177,251	177,251	208,969
Irrecoverable VAT	774,630	774,630	298,219
Sundry Expense	13,018	13,018	1,614
Rates & rent	57,988	57,988	12,228
Licences	120,743	120,743	98,829
Local Authority Payment	543,541	543,541	431,937
Total 2022	<u>11,790,393</u>	<u>11,790,393</u>	<u>8,991,246</u>
<i>Total 2021</i>	<u>8,991,246</u>	<u>8,991,246</u>	

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	121,317	121,317	112,525
Agency/External Staff	10,729	10,729	2,096
Travel & subsistence	1,875	1,875	211
Utilities	38,835	38,835	27,259
Establishment	54,879	54,879	13,932
Marketing	3,050	3,050	1,207
Service Charges	3,419	3,419	1,333
Insurance	5,482	5,482	6,463
Sundry Expense	403	403	50
Rates & rent	586	586	124
Licences	3,734	3,734	3,057
Administration	499,737	499,737	473,411
Legal & Professional	222,807	222,807	135,079
Audit & Accountancy	59,381	59,381	49,985
Cost of Sales of ancillary activities	174,417	174,417	20,953
Total 2022	<u>1,200,651</u>	<u>1,200,651</u>	<u>847,685</u>
<i>Total 2021</i>	<u>847,685</u>	<u>847,685</u>	

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>59,381</u>	<u>49,985</u>

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Staff costs

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Wages and salaries	5,621,277	5,265,129	5,621,277	5,265,129
Social security costs	332,716	266,255	332,716	266,255
Contribution to defined contribution pension schemes	111,932	94,885	111,932	94,885
	<u>6,065,925</u>	<u>5,626,269</u>	<u>6,065,925</u>	<u>5,626,269</u>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Charity 2022 No.	<i>Charity 2021 No.</i>
Service delivery: direct support	493	535	493	535
Support	5	4	5	4
Management and administration	6	5	6	5
	<u>504</u>	<u>544</u>	<u>504</u>	<u>544</u>

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	<i>Group 2021 No.</i>	Charity 2022 No.	<i>Charity 2021 No.</i>
Service delivery: direct support	200	263	200	263
Support	5	4	5	4
Management and administration	6	5	6	5
	<u>211</u>	<u>272</u>	<u>211</u>	<u>272</u>

ACTIVE NATION UK LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Staff costs (continued)

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	3	<i>1</i>
In the band £80,001 - £90,000	1	<i>1</i>

Total gross pay including social security costs of key management was £476,629 (2021 - £277,205). The pension contributions made by the employer on behalf of the key management £16,221 (2021 - £12,990).

No redundancy payments have been made this year (2021 - £53,671).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year professional indemnity insurance covering the Trustees for up to £2,000,000 was in place at a cost of £4,244 (2021 - £737).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Intangible assets

Group and Charity

	Goodwill
	£
Cost	
At 1 April 2021	79,121
	<hr/>
At 31 March 2022	79,121
	<hr/>
Amortisation	
At 1 April 2021	43,121
Charge for the year	11,000
	<hr/>
At 31 March 2022	54,121
	<hr/>
Net book value	
At 31 March 2022	25,000
	<hr/> <hr/>
<i>At 31 March 2021</i>	<i>36,000</i>
	<hr/> <hr/>

ACTIVE NATION UK LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Tangible fixed assets

Group and Charity

	Building improvements £	Office and major equipment £	Total £
Cost or valuation			
At 1 April 2021	1,070,057	2,091,667	3,161,724
Additions	2,934	74,729	77,663
At 31 March 2022	<u>1,072,991</u>	<u>2,166,396</u>	<u>3,239,387</u>
Depreciation			
At 1 April 2021	970,093	1,791,952	2,762,045
Charge for the year	59,317	219,783	279,100
At 31 March 2022	<u>1,029,410</u>	<u>2,011,735</u>	<u>3,041,145</u>
Net book value			
At 31 March 2022	<u><u>43,581</u></u>	<u><u>154,661</u></u>	<u><u>198,242</u></u>
At 31 March 2021	<u><u>99,964</u></u>	<u><u>299,715</u></u>	<u><u>399,679</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 £1,483 (2021 - £149,643)

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14. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2021	1
At 31 March 2022	<u>1</u>
Net book value	
At 31 March 2022	<u>1</u>
At 31 March 2021	<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 assets £
Active Nation UK Trading Limited	90,108

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15. Stocks

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Finished goods and goods for resale	<u>38,788</u>	<u>44,396</u>	<u>38,788</u>	<u>44,396</u>

16. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Due within one year				
Trade debtors	271,031	643,843	271,031	643,843
Other debtors	528,278	480,357	528,277	480,357
Prepayments and accrued income	517,242	370,247	517,242	370,247
	<u>1,316,551</u>	<u>1,494,447</u>	<u>1,316,550</u>	<u>1,494,447</u>

17. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Bank loans	355,555	88,889	355,555	88,889
Trade creditors	1,571,700	1,106,606	1,571,700	1,106,606
Other taxation and social security	119,742	239,328	119,742	239,328
Finance Leases	66,614	154,070	66,614	154,070
Other creditors	64,914	13,003	64,914	13,003
Accruals and deferred income	1,244,845	1,621,588	1,244,845	1,621,588
	<u>3,423,370</u>	<u>3,223,484</u>	<u>3,423,370</u>	<u>3,223,484</u>

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

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Bank loans	1,155,556	1,511,111	1,155,556	1,511,111
Finance Leases	8,427	80,382	8,427	80,382
	<u>1,163,983</u>	<u>1,591,493</u>	<u>1,163,983</u>	<u>1,591,493</u>

Included within the above are amounts falling due as follows:

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Between one and two years				
Bank loans	<u>355,555</u>	<u>355,555</u>	<u>355,555</u>	<u>355,555</u>
Between two and five years				
Bank loans	<u>800,001</u>	<u>1,066,666</u>	<u>800,001</u>	<u>1,066,666</u>
Over five years				
Bank loans	<u>-</u>	<u>88,890</u>	<u>-</u>	<u>88,890</u>

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.

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19. Financial instruments

	Group 2022 £	<i>Group</i> <i>2021</i> £	Charity 2022 £	<i>Charity</i> <i>2021</i> £
Financial assets				
Financial assets measured at amortised cost	<u>1,414,804</u>	<u><i>2,200,829</i></u>	<u>1,414,814</u>	<u><i>2,200,829</i></u>
	Group 2022 £	<i>Group</i> <i>2021</i> £	Charity 2022 £	<i>Charity</i> <i>2021</i> £
Financial liabilities				
Financial liabilities measured at amortised cost	<u>3,222,766</u>	<u><i>2,954,061</i></u>	<u>3,222,766</u>	<u><i>2,954,061</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 £
Additions	<u>454,855</u>
	<u>454,855</u>

Charity

	Onerous leases £
Additions	<u>454,855</u>
	<u>454,855</u>

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21. Deferred income

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Deferred income at 1 April 2021	605,406	<i>850,802</i>	605,406	<i>850,802</i>
Income deferred during the year	488,464	<i>605,406</i>	488,464	<i>605,406</i>
Amounts released from previous periods	(605,406)	<i>(850,802)</i>	(605,406)	<i>(850,802)</i>
Deferred income at 31 March 2022	<u>488,464</u>	<i><u>605,406</u></i>	<u>488,464</u>	<i><u>605,406</u></i>

Deferred income at 31 March 2022 is made up of £395,093 (2021 - £532,422) advance memberships, £38,806 (2021 - £72,984) advanced bookings and £54,565 (2021 - £nil) of other income.

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22. Statement of funds

Statement of funds - current year

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

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds				
General Funds - all funds	<u>(399,747)</u>	<u>8,474,852</u>	<u>(9,838,931)</u>	<u>(1,763,826)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Summary of funds

Summary of funds - current 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>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	<u>(399,747)</u>	<u>8,474,852</u>	<u>(9,838,931)</u>	<u>(1,763,826)</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	198,242	198,242
Intangible fixed assets	25,000	25,000
Current assets	1,970,834	1,970,834
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>(2,848,132)</u>	<u>(2,848,132)</u>

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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	399,679	399,679
Intangible fixed assets	36,000	36,000
Current assets	2,615,472	2,615,472
Creditors due within one year	(3,223,484)	(3,223,484)
Creditors due in more than one year	(1,591,493)	(1,591,493)
Total	<u>(1,763,826)</u>	<u>(1,763,826)</u>

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

	Group 2022 £	<i>Group 2021 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(1,084,306))	(1,364,079)
Adjustments for:		
Depreciation charges	290,100	438,229
Dividends, interests and rents from investments	-	11,062
Decrease in stocks	5,608	7,164
Decrease/(increase) in debtors	177,896	(209,773)
Increase in creditors	20,674	432,598
Increase in provision for liabilities	454,855	-
Net cash used in operating activities	<u>(135,173)</u>	<u>(684,799)</u>

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26. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	615,494	1,076,630
Total cash and cash equivalents	<u>615,494</u>	<u>1,076,630</u>

27. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Other non-cash changes £	At 31 March 2022 £
Cash at bank and in hand	1,076,629	(461,134)	-	615,495
Debt due within 1 year	(88,889)	88,889	(355,555)	(355,555)
Debt due after 1 year	(1,511,111)	-	355,555	(1,155,556)
Finance leases	(234,452)	159,412	-	(75,040)
	<u>(757,823)</u>	<u>(212,833)</u>	<u>-</u>	<u>(970,656)</u>

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 £108,340 (2021 - £94,885). At the year end there was payments of £23,696 (2021 - £13,003) due.

30. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Not later than 1 year	519,336	<i>555,005</i>	519,336	<i>555,005</i>
Later than 1 year and not later than 5 years	1,636,499	<i>1,803,514</i>	1,636,499	<i>1,803,514</i>
Later than 5 years	1,088,892	<i>1,417,541</i>	1,088,892	<i>1,417,541</i>
	<u>3,244,727</u>	<i><u>3,776,060</u></i>	<u>3,244,727</u>	<i><u>3,776,060</u></i>

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 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Operating lease rentals	<u>559,075</u>	<i><u>466,579</u></i>	<u>559,075</u>	<i><u>466,579</u></i>

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 (2021: £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 £4,244 (2021: £737).

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 £199,615 (2021 - £nil).

33. Controlling party

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

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