

Registered number: 03072216

Charity number: 1047742

ACTIVE NATION UK LTD

A company limited by guarantee

Trustees' Report and

Financial Statements

Year ending 31 March 2020



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ACTIVE

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

ACTIVE

Trustees	A G Majakas (Chairman) D J Hughes B A James
Managing Director	S R Martin
Company Secretary	G Holderness
Chief Executive Officer	R Paton (resigned 31st March 2019)
Senior Management Team	G Holderness K Lane M Learnihan (left 29th November 2019) 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 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 2020. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the FRS102 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", effective 1 January 2019.

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 2019-20 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

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

In 2019/20 Active Nation continued to expand the network of venues across the UK with a further 2 acquisitions across the year. May & June saw the acquisition of 2 medium sized Fitness Clubs from Energie Fitness, to continue to diversify the Charity's growth plan.

The focus of the year was the ‘settling’ the CRM function into the business and continue to develop to ensure the Charity could adopt a technology-led operating model across the organisation with ‘automated’ and ‘real time’ data. This coupled with the launch of the new Active Nation App enable an improvement to the Supporter experience.

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

With the building blocks in place, there was much expectation to deliver a strong New Year Plan, however the business started to experience a downturn in participation and product sales from late January 2020 with the emergence of Coronavirus, which ultimately led to all venues closing under Government Instruction in March with the start of the Covid-19 Lockdown. This impacted the performance against budget significantly.

The Charity still awaits the outcome of a dispute between Southampton City Council and Places Leisure (head contractor) from the previous year for Bitterne Leisure Centre which is expected to reach resolution in the forthcoming year.

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 2020

ACTIVE

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 2019-20 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 Active Nation Birchwood
Rushmoor Borough Council	Alpine Snowsports Centre, Aldershot
Southampton City Council	Quays Swimming & Diving Complex Bitterne Leisure Centre Chamberlayne Sports Centre Outdoor Sports Centre Woodmill Outdoor Activities Centre Southampton Water Activities Centre Alpine Snowsports Centre, Southampton
Southampton City Council (Public Health)	Exercise on Referral Scheme
South Derbyshire District Council	Green Bank Leisure Centre Etwall Leisure Centre
Runcorn	Active Nation Runcorn
Basingstoke	Atmosphere Trampoline Park
Lymington	Boutique Fitness
Long Eaton	Active Nation Gym Long Eaton
Preston	Active Nation Preston
Ormskirk	Active Nation Ormskirk



REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

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	2019 - 2020	2018 - 2019 Restated	% Increase / Decrease
Income from charitable activities: Management Activities	£12,585,873	£12,607,888	-
Income from charitable activities: Sports Subsidy	£1,345,454	£1,420,035	-5%
Employee Costs	£8,081,791	£8,096,084	-
Net funds	-£399,747	£551,863	-172%

QUALITY

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

SOCIAL INCLUSION INITIATIVES

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

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

TECHNOLOGY

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

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

TRUSTEES

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

MANAGEMENT

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

CAMPAIGNING

FY20 campaigning resulted in a supporter subscription increase from 26,330 to 32,785 during the year, with 24,531 Fitness subscriptions and 8,254 Swim subscriptions (including swimming lessons). The recruitment and development of a central campaign team supported our new business acquisitions during the year and the Charity continued its campaigning approach of developing the brand map with our in/out of venue proposition.

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.

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

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

Further investment has been made in all locations to improve facilities and there is longevity in the business contracts. 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 made a loss of £951,610 in FY20, a loss of £240,326 in FY19 (restated for prior year adjustments) and net liabilities of £399,747 FY20, net assets of £551,863 FY19 (restated).

Investments were made within the IT infrastructure along with the CRM function of the Charity to sustain growth. In addition acquisition of clubs was undertaken to position the business for increased revenues moving forward. The progress was hampered in realising the return of the investment due to downturn in participation from restriction and eventual Government instruction to close all venues in the 4th Quarter of the year. It is expected that with a clear trading period ahead when all Covid restriction measures are removed that the growth expectation and resulting surplus will be achieved.

Sales started on track in quarter 4 of FY20, however due to enforced closures as a result of Coronavirus, this delayed the monthly subscriptions. Venues partially opened in April/May 2021 and subscriptions are expected to resume when the venues return to full capacity.

The Charity was successful with a CBILS loan of £1.6m in September 2020, following the recognition from our stakeholders on the importance of the Charity's purpose has within society today. The Charity has received further Government support of £3,266,937 from March 2020 to May 2021 through the Furlough Scheme. The Charity has received £661,489 in Local Restriction Support Grants/Restart Grants from April 2020 to May 2021 and is due a further £56,000

The Charity has been closed due to Covid for much of FY21 and has re-opened with reduced capacity to comply with Covid restrictions. Active Nation has the opportunity and the mindset to emerge positively from the current challenges and take on a new focus, not simply delivering sport and exercise, but delivering a wellness solution that supports the health and happiness of communities.

The Trustees recognise that there are material uncertainties about the going concern status of the Charity given the current uncertainty over the timing and extent of relaxation of Covid restrictions and the uncertainty over continued government financial support, but they believe they have measures in place to meet obligations as they fall due.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

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 9% of incoming resources.

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 2020-21.

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 Charity generates most of its funds via subscriptions and doesn't carry out significant fundraising activities. Whilst the Balance Sheet shows unrestricted reserves of -£399,747 for FY20 (target 6.6% of total income), the Charity has been successful in its application for the Coronavirus Business Interruption Loan Scheme in June 2020 and has received a loan of £1.6M to support the recovery of the Charity after the Coronavirus pandemic.

Approved by the Board of Trustees and signed by:


Tony Majakas
Chairman

10/6/21
Date

STATEMENT OF TRUSTEES' RESPONSIBILITIES

ACTIVE

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.
- 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 10/6/21 and signed on their behalf by:



Tony Majakas
Chairman

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF ACTIVE NATION

ACTIVE

We have audited the financial statements of Active Nation UK Ltd for the year ended 31 March 2020 set out on pages 19 to 41. 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 2020 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.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to note 1.9 in the financial statements, which indicates that losses of £951,610 for the year ended 31st March 2020, together with the negative effect of the Coronavirus pandemic on the operating position, cash flows and site closures cast significant doubt on the charitable company's ability to continue as a going concern. As stated in note 1.9, these events or conditions, along with the other matters as set forth in note 1.9, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF ACTIVE NATION

ACTIVE

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.

M. Dickinson

Mark Dickinson FCA (Senior Statutory Auditor)

for and on behalf of

Wise & Co
Chartered Accountants and Statutory Auditors
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

Date: 14/06/2001

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

ACTIVE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	All unrestricted and restricted Funds 2019 Restated £
INCOME	Notes				
Income from generating funds	2	742,863	-	742,863	783,253
Income from charitable activities	3	13,931,327	-	13,931,327	14,027,923
Other income	4	752,817	132,538	885,355	741,946
Total income		15,427,007	132,538	15,559,545	15,553,122
EXPENDITURE					
Cost of raising funds		654,515	-	654,515	673,552
Charitable activities		15,724,102	132,538	15,856,640	15,119,896
Total expenditure	5	16,378,617	132,538	16,511,155	15,793,448
Net (expenditure) / income		(951,610)	-	(951,610)	(240,326)
Transfer between funds		-	-	-	-
Net Movement in funds		(951,610)	-	(951,610)	(240,326)
Total funds brought forward					
Originally Stated		836,919	-	836,919	792,189
Prior Year Adjustment		(285,056)	-	(285,056)	-
Total funds carried forward		(399,747)	-	(399,747)	551,863

All amounts derive from continuing operations.
The notes on pages 23 to 41 form part of these financial statements.

CONSOLIDATED BALANCE SHEET 31 MARCH 2020 **REGISTERED NUMBER 3072216**

ACTIVE

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2020 **REGISTERED NUMBER 3072216**

	Notes	2020 £	2019 Restated £
Fixed assets			
Intangible Assets	9	51,690	12,730
Tangible assets	10	821,460	902,038
		<u>873,150</u>	<u>914,768</u>
Current assets			
Stock	13	51,560	69,663
Debtors	14	1,284,674	1,344,582
Cash at bank and in hand		336,654	622,940
		<u>1,672,888</u>	<u>2,037,185</u>
Less: Creditors – Amounts falling due within one year	15	2,759,598	2,327,763
Net current liabilities		<u>(1,086,710)</u>	<u>(290,578)</u>
Less: Creditors - Amounts failing due after more than one year	16	- 186,186	- 72,327
NET LIABILITIES / ASSETS		<u>(399,747)</u> =====	<u>551,863</u> =====
Funds			
Restricted funds	24	-	-
Previous Years Unrestricted Funds		551,863	792,189
Unrestricted Funds for year		(951,610)	(240,326)
NET FUNDS		<u>(399,747)</u> =====	<u>551,863</u> =====

The financial statements were approved by the Board on 10/6/21 and signed on its behalf by:


 Tony Majakas
 Chairman

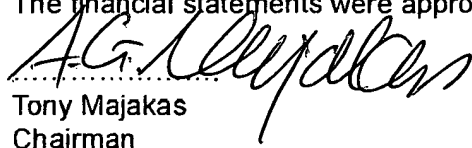
CHARITY BALANCE SHEET AT 31 MARCH 2020
REGISTERED NUMBER 3072216

ACTIVE

CHARITY BALANCE SHEET AT 31 MARCH 2020
REGISTERED NUMBER 3072216

	Notes	2020 £	2019 Restated £
Fixed assets			
Intangible assets	9	51,690	12,730
Tangible assets	10	821,460	902,037
Investment in subsidiary	11	1	1
		<u>873,151</u>	<u>914,769</u>
Current assets			
Stock	13	51,560	69,663
Debtors	14	1,284,674	1,344,581
Cash at bank and in hand		336,654	622,940
		<u>1,672,888</u>	<u>2,037,184</u>
Less: Creditors – Amounts falling due within one year	15	<u>2,759,598</u>	<u>2,327,763</u>
Net current liabilities		<u>(1,086,710)</u>	<u>(290,578)</u>
Less: Creditors - Amounts falling due after more than one year	16	<u>186,186</u>	<u>72,327</u>
NET LIABILITIES / ASSETS		<u>(399,747)</u> =====	<u>551,863</u> =====
Funds			
Restricted funds	24	-	-
Previous Years Unrestricted Funds		551,863	882,295
Unrestricted Funds for year		(951,610)	(330,431)
NET FUNDS		<u>(399,747)</u> =====	<u>551,863</u> =====

The financial statements were approved by the Board on 10/6/21.....and signed on its behalf by:


 Tony Majakas
 Chairman

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	A	(36,300)	345,654
Cash flows from investing activities:			
Dividends, interest and rents from investments		(3,863)	(7,170)
Purchase of tangible property, plant and equipment		(418,986)	(490,187)
Purchase of intangible property, plant and equipment		(55,000)	-
Net cash provided by/(used in) investing activities		(477,849)	(497,356)
Cash flows from financing activities:			
Repayment of borrowing		(160,846)	(104,740)
Cash inflows from new borrowing		388,708	30,034
Net cash provided by/(used in) financing activities		227,862	(74,706)
		=====	=====
Change in cash and cash equivalents in the reporting period		(286,287)	(226,409)
Cash and cash equivalents at 1 April 2019		622,940	849,348
Cash and cash equivalents at 31 Mar 2020	B	336,654	622,940
		=====	=====

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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

	2020 £	2019 Restated £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(951,610)	(240,326)
Adjustments for:		
Depreciation & Amortisation	515,604	416,028
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	3,863	7,170
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stock	18,103	13,465
(Increase)/decrease in debtors	59,907	(36,708)
Increase/(decrease) in creditors	317,834	186,025
Net cash inflow/(outflow) from operating activities	(36,300) =====	345,654 =====

B. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	336,654	622,940
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	336,654 =====	622,940 =====

C. Analysis of changes in net debt

	31 Mar 2019 £	Cash Flows Leases £	New Finance £	31 Mar 2020 £
Cash	622,940	(286,287)	-	336,653
Finance Lease Obligations	(169,994)	160,846	(388,708)	(397,856)
Total	452,946 =====	(125,441) =====	(388,708) =====	(61,203) =====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The accounts are presented in GBP and rounded to the nearest £.

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

1.2 Basis of consolidation

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

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

1.3 Company status

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

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. Government Furlough Grants are recognised in the period of entitlement.

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

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

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

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

1.6 Prior Year Adjustment

A prior year adjustment is included to defer £285,056 of membership income in 2019.

1.7 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.

1.8 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

1.9 Going Concern

The Charity made a loss of £951,610 in FY20, a loss of £240,326 in FY19 (restated for prior year adjustments) and net liabilities of £399,747 FY20, net assets of £551,863 FY19 (restated).

Investments were made within the IT infrastructure along with the CRM function of the Charity to sustain growth. In addition acquisition of clubs was undertaken to position the business for increased revenues moving forward. The progress was hampered in realising the return of the investment due to downturn in participation from restriction and eventual Government instruction to close all venues in the 4th Quarter of the year. It is expected that with a clear trading period ahead when all Covid restriction measures are removed that the growth expectation and resulting surplus will be achieved.

Sales started on track in the 4th quarter, however due to enforced closures as a result of Coronavirus, this delayed the monthly subscriptions due which will be resumed on reopening. Venues partially opened in April/May 2021 and subscriptions are expected to resume when the venues return to full capacity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

The Charity was successful with a CBILS loan of £1.6m in September 2020, following the recognition from our stakeholders on the importance of the Charity's purpose has within society today. The Charity has received further Government support of £3,266,937 from March 2020 to May 2021 through the Furlough Scheme. The Charity has received £661,489 in Local Restriction Support Grants/Restart Grants from April 2020 to May 2021 and is due a further £56,000

The Charity has been closed due to Covid for much of FY21 and has re-opened with reduced capacity to comply with Covid restrictions. Active Nation has the opportunity and the mindset to emerge positively from the current challenges and take on a new focus, not simply delivering sport and exercise, but delivering a wellness solution that supports the health and happiness of communities.

The Trustees recognise that there are material uncertainties about the going concern status of the Charity given the current uncertainty over the timing and extent of relaxation of Covid restrictions and the uncertainty over continued government financial support, but they believe they have measures in place to meet obligations as they fall due.

1.10 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.

1.11 Fixed assets and depreciation/amortisation

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

1.12 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.13 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.

1.14 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.

1.15 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.

1.16 Stock

Stock is stated at the lower 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.

1.17 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

1.18 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.

1.19 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.

1.20 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.

1.21 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.

1.22 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 2020

ACTIVE

1.23 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.

1.24 Future Prospects

The Board report a net deficit of £951,610 for the year ended 31st March 2020.

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.

1.25 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 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from Trading Subsidiary	-	-	-	-
Income from Ancilliary Activities	742,863	-	742,863	783,253
Total	742,863	-	742,863	783,253

In 2019 all income was unrestricted

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

3 Income from Charitable Activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 Restated £
Management Activities	12,585,873	-	12,585,873	12,607,888
Sports Subsidy from Local Authorities	1,345,454	-	1,345,454	1,420,036
Total	13,931,327	-	13,931,327	14,027,923

In 2019 all income was unrestricted.

4 Other Income

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Car park, dryers	471,562	-	471,562	419,455
Funding	226,555	132,538	359,093	282,171
Events	54,700	-	54,700	40,320
Total	752,817	132,538	885,355	741,946

In 2019 Restricted £221,002. Within Funding £136,540 relates to Government Furlough Scheme.

5 Expenditure

	Staff costs (see note 8) £	Other direct costs £	Total 2020 £	Total 2019 £
Cost of raising funds:				
General	161,636	128,093	289,728	283,838
Cost of sales of ancillary activities	-	364,787	364,787	389,715
Charitable Activities:				
Charitable expenditure	7,920,155	6,992,530	14,912,685	14,296,650
Support costs (governance)	-	770,619	770,619	682,536
Management and administration	-	173,335	173,335	140,710
	8,081,791	8,429,364	16,511,155	15,793,448

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

5 Expenditure (contd)

	Direct Costs 2020 £	Support 2020 £	Total 2020 £	Total 2019 £
Wages & Salaries	7,920,155	161,636	8,081,791	8,096,084
Agency/External Staff	564,471	17,458	581,929	523,035
Travel & subsistence	175,561	5,430	180,991	193,643
Utilities	1,482,604	45,854	1,528,458	1,378,946
Establishment	2,275,095	28,367	2,303,462	2,083,681
Marketing	316,621	9,792	326,413	275,628
Service Charges	201,568	4,114	205,682	150,510
Insurance	282,282	8,730	291,012	305,923
Irrecoverable VAT	809,964	-	809,964	766,011
Sundry Expense	33,545	-	33,545	17,606
Rates & rent	173,354	1,751	175,105	163,041
Licences	213,303	6,597	219,900	197,794
Local Authority Payment	464,161	-	464,161	428,586
Administration	-	657,087	657,087	514,823
Legal & Professional	-	244,950	244,950	270,678
Audit & Accountancy	-	41,918	41,918	37,745
Cost of Sales (ancillary)	-	364,787	364,787	389,715
Total	14,912,685	1,598,470	16,511,155	15,793,448

In 2019, £221,002 related to restricted fund expenditure

6 Net movement in funds for the year

	2020 £	2019 £
Net movement in funds for the year are stated after charging:		
Hire of plant and machinery	801,653	605,797
Depreciation: - owned assets	305,468	346,647
- leased assets	210,136	69,381
Audit fees - group	41,918	37,745
- charity	41,918	37,745

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

7 Governance

	2020 £	2019 £
Support Costs	770,619	682,536
Audit Fees	41,918	37,745
Management and Admin	131,417	102,965
	<u>943,955</u>	<u>823,246</u>
	=====	=====

8 Staff costs

	2020 Number	2020 FTE	2019 Number	2019 FTE
The average number of persons (excluding trustees) employed was:				
Service delivery: direct support	801	356	757	372
Support costs	4	4	4	4
Management and administration	5	5	5	5
	<u>810</u>	<u>365</u>	<u>766</u>	<u>381</u>
	=====	=====	=====	=====

	2020 £	2019 £
The cost incurred in respect of these employees was:		
Wages and salaries	7,472,300	7,517,254
Social security costs	417,856	409,080
Pension costs	191,635	169,750
	<u>8,081,791</u>	<u>8,096,084</u>
	=====	=====

Included in the above are termination/redundancy payments totalling £15,000.

	2020 Number	2019 Number
The number of employees whose emoluments exceeded £60,000 in the year were:		
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
£90,001 - £100,000	1	1

Total gross pay including social security costs of key management was £345,551 (2019 £370,122).
The pension contributions made by the employer on behalf of the key management was £16,616 (2019 £17,180) None of the trustees received any remuneration from the Charity (2019 : nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

9 Intangible Fixed Assets:

Goodwill £

Cost

At 1 April 2019	24,121
Additions	55,000

At 31 March 2020	79,121
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Amortisation

At 1 April 2019	11,390
Charge for the year	16,040

At 31 March 2020	27,341
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Net book value

At 31 March 2020	51,690
At 31 March 2019	12,730

All Additions in 2020 relate to business combinations

10 Tangible fixed assets:

	Building improvements £	Office and major equipment £	Total £
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Cost

At 1 April 2019	1,095,903	1,911,926	3,007,829
Additions	63,674	355,312	418,986
Disposals	-	-	-

At 31 March 2020	1,159,578	2,267,237	3,426,815
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Accumulated depreciation

At 1 April 2019	858,601	1,247,191	2,105,792
Charge for the year	109,552	390,012	499,563
Disposals	-	-	-

At 31 March 2020	968,153	1,637,202	2,605,355
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Net book values

At 31 March 2020	191,425	630,035	821,460
At 31 March 2019	237,302	664,735	902,037

Included in equipment costs is NBV of £339,719 held under finance leases. (2019: £102,156)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

11 Investments held as fixed assets

Charity

Shares in subsidiary undertaking
£

At 1 April 2019 and 31 March 2020

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 2020 was £90,108 (2019: £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 £951,610.

13 Stock

	Group 2020 £	2019 £	Charity 2020 £	2019 £
Goods for resale	51,560	69,663	51,560	69,663

14 Debtors

	Group 2020 £	2019 £	Charity 2020 £	2019 £
TTrade Debtors	436,563	446,310	436,563	446,310
Other Debtors	300,356	300,356	300,356	300,356
Prepayments and accrued income	547,755	597,915	547,755	597,915
	<u>1,284,674</u> =====	<u>1,344,581</u> =====	<u>1,284,674</u> =====	<u>1,344,581</u> =====

All debtors are due within one year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

15 Creditors - Amounts falling due within one year

	Group 2020 £	2019 Restated £	Charity 2020 £	2019 Restated £
Trade Creditors	482,441	587,345	482,441	587,345
Finance Leases	211,670	97,668	211,670	97,668
Other Creditors	27,686	23,325	27,686	23,325
Accruals and deferred income	1,789,363	1,461,984	1,789,363	1,461,984
Social security and other taxes	248,439	157,440	248,439	157,440
	<u>2,759,598</u> =====	<u>2,327,763</u> =====	<u>2,759,598</u> =====	<u>2,327,763</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. Included in other creditors in 2020 is £94,466 relating to deferred acquisition costs and Finance Equipment Leasing Costs at 2 clubs.

16 Creditors - Amounts falling due after one year

	Group 2020 £	2019 £	Charity 2020 £	2019 £
Finance Leases	186,186	72,326	186,186	72,326
	<u>186,186</u> =====	<u>72,326</u> =====	<u>186,186</u> =====	<u>72,326</u> =====

Included in other creditors in 2020 is £128,474 relating to deferred acquisition costs and Finance Equipment Leasing Costs at 2 clubs.

17 Finance Leases

Minimum lease payments under finance leases fall due as follows:

	Group 2020 £	2019 £	Charity 2020 £	2019 £
Within one year	211,670	97,668	211,670	97,668
Between 1 – 5 years	186,186	72,326	186,186	72,326
Total	<u>397,856</u> =====	<u>169,994</u> =====	<u>397,856</u> =====	<u>169,994</u> =====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

18 Deferred Income

	Group 2020	2019 Restated	Charity 2020	2019 Restated
	£	£	£	£
Opening Deferred Income	718,728	594,239	718,728	594,239
Deferred income released in year	(718,728)	(594,239)	(718,728)	(594,239)
Income deferred in year	850,802	718,728	850,802	718,728
Closing deferred income	<u>850,802</u>	<u>718,728</u>	<u>850,802</u>	<u>718,728</u>
	=====	=====	=====	=====

£740,063 advance memberships (FY19 restated £608,091), £110,739 advanced bookings (FY19 £110,637)

19 Guarantee

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

20 Analysis of Net Assets between funds

2020	Unrestricted £	Restricted (note 24) £	Total £
Tangible Fixed Asset	821,460	-	821,460
Intangible Fixed Asset	51,690	-	51,690
Current assets	1,672,888	-	1,672,888
Creditors due in less than one year	(2,759,598)	-	(2,759,598)
Creditors due after one year	(186,186)	-	(186,186)
Net Assets	(399,747)	-	(399,747)
2019 (Restated)			
Tangible Fixed Asset	902,037	-	902,037
Intangible Fixed Asset	12,730	-	12,730
Current assets	2,037,185	-	2,037,185
Creditors due in less than one year	(2,327,763)	-	(2,327,763)
Creditors due after one year	(72,326)	-	(72,326)
Net Assets	551,863	-	551,863

21 Operating Lease Commitments

The Charity's commitments under operating leases are:

	Land and Buildings 2020 £ net	Plant and Machinery 2020 £ net	Land and Buildings 2019 £ net	Plant and Machinery 2019 £ net
Within 1 year	411,250	174,907	301,100	218,997
2 to 5 years	1,563,750	249,566	1,142,150	315,252
After 5 years	1,957,392	-	1,613,050	-
	3,932,392	424,473	3,056,300	534,249

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 2020 £ net	Land and Buildings 2019 £ net
Within 1 year	3,750	3,000
2 to 5 years	-	-
	3,750	3,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

22 Legal Status

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

23 Pension Commitments

The group operated a defined contributions pension scheme and contributed to multi-employer defined benefit pension schemes where it is not possible to identify the company's share of the underlying assets and liabilities and these have been treated as defined contribution pension schemes. The assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £191,637 (2019: £169,750). At the year-end there were payments of £27,686 (2019: £23,325) due.

24 Statement of Funds

2020	Brought Forward Restated £	Income £	Expenditure £	Transfers In/Out £	Carried Forward £
General funds					
General Purpose Fund	551,863	15,427,007	16,378,617		(399,747)
Total Unrestricted Funds	551,863	15,427,007	16,378,617		(399,747)
	£	£	£	£	£
Restricted funds					
ParkLives Southampton	-	54,802	54,802	-	-
University of Southampton	-	18,227	18,227	-	-
SEND Short Breaks	-	13,722	13,722	-	-
London Marathon Charitable Trust	-	27,478	27,478	-	-
Ofsted Nursery Funding	-	18,308	18,308	-	-
Total Restricted funds	-	132,538	132,538	-	-
Total of funds	551,863	15,559,545	16,511,155	-	(399,747)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

2019	Brought Forward	Income	Expenditure	Transfers In/Out	Carried Forward
		Restated			Restated
	£	£	£	£	£
General Funds					
General Purpose Fund	792,189	15,332,120	15,572,446		551,863
Total Unrestricted Funds	792,189	15,332,120	15,572,446		551,863
Restricted funds					
Ofsted Nursery Funding	-	75,248	75,248	-	-
ParkLives Southampton	-	64,063	64,063	-	-
Southampton Healthy Living	-	49,021	49,021	-	-
ShortBreaks	-	12,025	12,025	-	-
AGP Sailing Academy	-	10,500	10,500	-	-
Penguins Swim Club	-	7,145	7,145	-	-
Tesco Bags for all	-	3,000	3,000	-	-
Total Restricted funds	-	221,002	221,002	-	-
Total of funds	792,189	15,553,122	15,793,448	-	551,863

25 Related party transactions

None.

Reimbursement of expenses

A total of £1,410 travel & subsistence expenses was paid to 1 trustee (2019: 1 trustee £1,053 for travel & subsistence)

During the year professional indemnity insurance covering the Trustees for up to £2m was in place at a cost of £735 (2019: £735)

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

26 Controlling party

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ACTIVE

27 Business Combinations

Active Nation has acquired the trade and assets of two venues during 2019-20. In June 2019 a low cost fitness club in Preston from Energie Fitness (Fit4Less) for £20,000 In July 2019 a low cost fitness club in Long Eaton from Energie Fitness (Fit4Less) for £35,000. These acquisitions have been absorbed into the main business and it is not possible to disclose their trading results since acquisition. Goodwill acquired on purchase of trade and assets was determined to have a useful life of 5 years based on estimated future benefits.

Preston Club - Recognised amounts of identifiable assets acquired and liabilities assumed:

	Fair Value £
Tangible fixed assets	107,192
Finance lease liability	(107,192)
	<hr/>
	-
Goodwill	20,000
Total purchase consideration	<hr/>
	20,000
	<hr/>

Consideration:

Cash	5,000
Deferred consideration	15,000
	<hr/>
	20,000

Ormskirk Club - Recognised amounts of identifiable assets acquired and liabilities assumed:

	Fair Value £
Tangible fixed assets	133,414
Finance lease liability	(133,414)
	<hr/>
	-
Goodwill	35,000
Total purchase consideration	<hr/>
	35,000
	<hr/>
Consideration:	
Cash	5,000
Deferred consideration	30,000
	<hr/>
	35,000
	<hr/>