



More people
More active
More often

The Rise of the Activity Sector

An analysis of the growth
in the physical activity sector
and its future potential

A Priority Sector for UK Plc



Contents

About ukactive	3
Foreword – a perspective on growth and a bright future	4
Executive summary	6
Introduction	8
Global fitness markets	12
UK market activity timeline	14
Valuation of the UK private and public health and fitness sector	16
What is driving the growth in value?	18
Defining the physical activity sector: opportunities beyond health and fitness	20
Case studies	21
Fostering innovation: ActiveLab by ukactive	37
Looking forward	38
Glossary	39
Methodology	40
End notes	42

Acknowledgement

We would like to thank the ukactive members, stakeholders and partners who have contributed to this report, in part by providing highly commercially sensitive financial and brand sponsorship information.

We would also like to thank Nick Bishop (Managing Director, Morgan Stanley, Head of Leisure, EMEA), Alliance Leisure, Anytime Fitness, David Lloyd Leisure, énergie Group, Greenwich Leisure Limited,

Nu Field Health, Oxygen Freejumping, Places for People Leisure, Precor, PureGym, Sport England, Technogym, The Gym Group, Water Babies and Xercise4Less.

This report has been researched in partnership with leading international advisory and accountancy firm Mazars, and Nielsen Sports (formerly Repucom), an expert provider of analytics and insights within the sports industry.

About ukactive

ukactive is the UK's leading not-for-profit body for physical activity with a mission to improve the health of the nation through getting more people, more active, more often. We exist to serve anyone with a role to play in achieving that goal.

We collaborate with over 4,000 members and stakeholders across the UK, including operators of fitness facilities of all sizes as well as local authority leisure centres, leisure trusts, equipment suppliers, charities, vocational trainers, sports providers, lifestyle companies and outdoor

fitness providers. We facilitate big impact partnerships across the public and private sector, supporting partners in delivering their goals around physical activity.

The ukactive Research Institute is a supplier of research and insight services for the physical activity sector. These services include evidencing the impact of products, programmes or services, generating insights into consumer behaviour and understanding the commercial performance of physical activity-related businesses.

For more information visit www.ukactive.com or contact us on:

T: 020 7400 8600
E: info@ukactive.org.uk



Foreword

A perspective on growth and a bright future.



Nick Bishop
*Managing Director, Morgan Stanley,
Head of Leisure, EMEA*



Steven Ward
Executive Director, ukactive

From our highly differing vantage points, we have both seen the physical activity landscape change significantly over the past decade. Alongside the rise in the number of gym operators, we have witnessed an increase in market diversity, with the introduction of low-cost gym operators and boutique fitness studios providing consumers with greater choice than ever before.

The most significant development remains the expansion and increasing competitiveness of the low-cost gym sector, clearly evidenced by The Gym Group's strong IPO in November 2015, valued at over £250 million. It has been announced that PureGym, the UK's biggest gym operator, plans to do the same. Sustained growth of the low-cost sector, with challenger brands such as Xercise4Less, seems to indicate that further mergers and acquisitions could be on the horizon as companies continue to compete for site space while trying to gain the benefits of scale. For some operators, taking over established clubs is a route to expansion, especially given concerns over high street planning regulations and the difficulties of obtaining planning consent for new-build sites. The campaigning work of ukactive to reclaim and repurpose sites on the high street may open new locations for new concepts and formats, providing an exciting opportunity for growth.

There are still opportunities at the premium end of the spectrum to provide a high-end, family, full-scale service such as David Lloyd Leisure and Nuffield Health. Virgin Active, by announcing the sale of 35 of its UK fitness clubs to Nuffield Health in June 2016, indicates its intention to do just that, focusing on its premium 'Collection' and family clubs. Under their current owners, both Virgin Active and David Lloyd Leisure have benefited from major investment programmes into their estates, with a commensurate growth in earnings. Backed by its ability to continually reinvest its earnings, Nuffield Health remains a

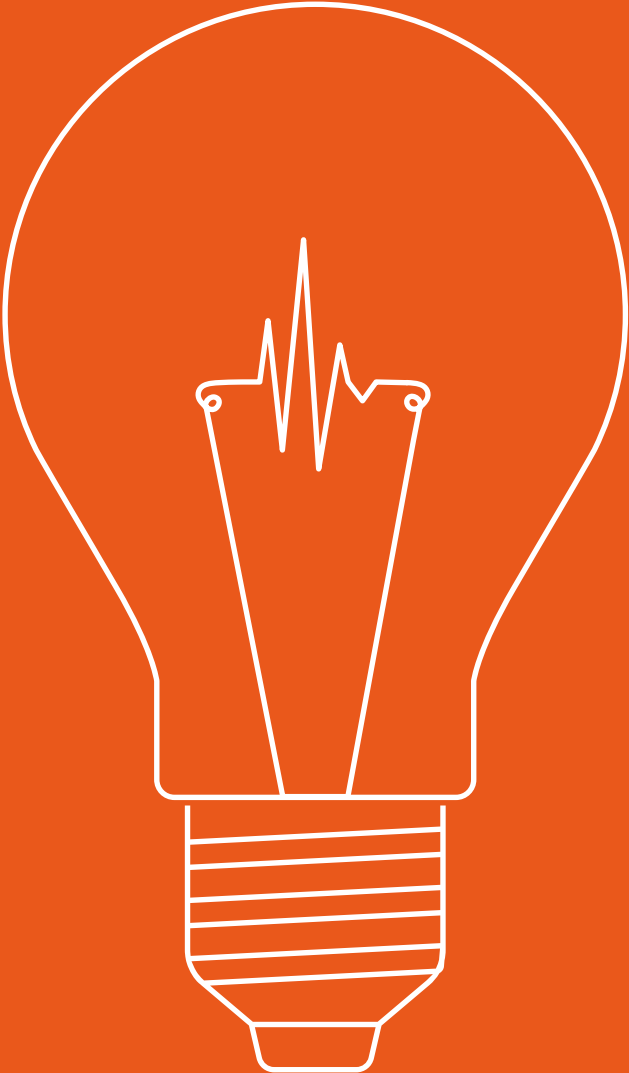
driving force within the sector. Its health-based proposition opens doors for continued acquisition into new areas, with the capital to support it.

Advances in technology provide the sector with further growth potential, from facilitating the development of increasingly sophisticated and easy-to-use equipment, programmes, merchandise and services, to mobile applications, wearable trackers and online booking systems. New profitable business models are emerging to drive active lifestyles with little connection to facility operators, creating a driving dynamic for innovation.

Businesses today must respond to changing consumer habits. Flexible, low-cost gym memberships serviced almost entirely online give consumers the freedom to exercise and have time and disposable income to spend on a variety of additional leisure pursuits or secondary spend opportunities such as personal training or boutique classes. Conversely, the more expensive, high-end experience satisfies consumers' demand for a more all-encompassing health and wellbeing service. Meanwhile, the increasing popularity of outdoor exercise sees initiatives such as Parkrun and British Military Fitness provide consumers with a wide choice of ways to get fit and active.

The sustained rise in the number of gym memberships year on year¹ indicates that consumer interest in the sector remains strong. The sector has grown its penetration of the UK adult population holding a fitness membership every year since 2008, despite predictions of difficulties resulting from the recession. This proves the sector is resilient and increasingly ingrained as a positive habit in the lives of UK consumers. We believe that this, together with the numerous investments made in the sector both globally and nationally, alongside the growing evidence of the benefit activity has to health, should give confidence to those investing in the sector.

New profitable business models are emerging to drive active lifestyles



Executive summary

This report identifies the financial contribution of the physical activity sector to the UK's economy.

£6.6bn
estimated 2015 fitness
sector valuation

£7.7bn
estimated 2016 fitness
sector forecast



The health and fitness sector is part of the wider physical activity sector. This report identifies and examines the financial contribution of both to the UK's economy.

Supported by Mazars, a leading international advisory and accountancy organisation specialising in valuations, and sponsorship experts Nielsen Sports, we have valued the UK's private and public health and fitness sector higher than previous valuations* at an estimated £6.6 billion in 2015, and we have forecast a valuation of £7.7 billion for 2016**. This is the result of continued membership growth, especially in the low-cost sector, and increasing investment enabling expansion. The number of major transactions in the physical activity sector in the past year indicates that investors believe the sector has strong growth prospects, which is reinforced by PureGym's recently, announced plans to float on the London Stock Exchange².

The physical activity sector is vast. It spans a broad range of diverse organisations with a role to play in achieving ukactive's mission of improving the health of the nation by getting more people, more active, more often. This breadth and diversity means that it is not currently possible to provide an accurate financial valuation of the entire physical activity sector, which spans from companies such as Apple, which now plays a major role through the provision of wearable technology, through to national charities such as Macmillan, which provides physical activity services for cancer patients. Never has there been

a more diverse range of organisations that count getting the nation moving as one of their core objectives.

However, with their hundreds of millions of customer visits per year, the bedrock of the success of the physical activity movement remains the health club and leisure centre operators. The valuation cited in this report is based solely on private and public health and fitness operators. A private operator is a commercially owned health and fitness site that is available to the public on an annual, monthly or "pay-as-you-go" membership. Public sector-led facilities are delivered either by local authorities or are outsourced by local authorities to trusts, social enterprises, not-for-profits, commercial entities and charities, which redistribute their profits for the benefit of the community. Though the estimated £6.6 billion valuation in 2015 and £7.7 billion 2016 valuation forecast of the fitness sector is greater than previous calculations to date, we believe the total value of the entire sector is significantly greater and therefore its potential substantially underestimated.

Growth in the sector has been driven by a variety of factors. Greater flexibility in payment options, such as short-term and no-contract models, has widened the appeal of gym memberships by reducing the cost barrier and meeting the needs of time-pressured consumers. Product innovation and technology development across the sector, such as the development of fitness apps and trackers, have enhanced the consumer fitness experience, potentially leading to a reduction in churn.

"Greater flexibility in payment options, such as short-term and no-contract models, has widened the appeal of gym memberships by reducing the cost barrier and meeting the needs of time-pressured consumers."

The sector's growth in value and volume has been supported by the elevated importance of physical activity and health in society. Strong media coverage and public sector campaigns, such as Public Health England's "Change4Life" and Sport England's "This Girl Can", have made consumers more aware than ever of the negative health and wellbeing impacts of an inactive lifestyle and the benefits of moving more. They have also shown the steps one can take to get more active, be it by joining the local gym, entering a national mass participation running event, cycling to work or taking the dog for a walk in the park. This drive has been supported by the Academy of Medical Royal Colleges, which hailed the benefits of physical activity as a "miracle cure" for the lifestyle-related diseases which threaten the sustainability of the NHS. As a result, the Royal College of

General Practitioners has made physical activity one of its top priorities as an institution. Fitness is no longer a matter of leisure; it is central to health, stimulating its value to society as a result.

Societal trends have brought active lifestyles more prominence, with social media platforms such as Instagram, Facebook and Twitter bringing greater connection between those passionate about fitness and the wider general public. This has influenced a younger generation of consumers to emerge more health-conscious than their predecessors, creating ample room for growth in the sector. Social media trends promoting "strong not skinny" and the evolution of workout clothing from functional to fashionable have also contributed to the growth of the fitness sector consumer base and the desirability of the category.

This report highlights 15 case studies from organisations which have contributed greatly to the revived growth of the physical activity sector. They represent a coming of age of the sector as it emerges from its initial entrepreneurial roots into a well-structured, professional sector ready to ride the waves of major societal trends towards further growth. The case studies include private gym operators, franchisors, the actions of public bodies, and public providers of leisure and fitness activities. These examples illustrate the investment and growth opportunities for the sector and mark a new era of sustained value for investors. The successful return of the sector to public markets and market activity in 2016 means that

legacy operators and arrangements have finally been dealt with, creating a bright future in which investment opportunities abound. This is particularly evident in the supporting infrastructure base of suppliers driving much of the innovation in the sector. We feature in this report newly emerging models commercialising the fun of fitness and companies blazing a trail of international expansion from the UK. The case studies represent the tip of the iceberg of opportunity that can be found within the ukactive network.

ukactive's mission is to improve the health of the nation by getting more people, more active, more often. A strong, vibrant and successful sector, with the backing of the investment community, is essential to achieving this aim.

We hope you find this report informative and we are here if you wish to join us in our mission of creating the best possible conditions for growth.

*This does not refer to previous calculations made by ukactive but to those done by other organisations such as The Leisure Database Company, who produce a yearly report on the state of the UK fitness industry.

**This estimated 2016 forecast is based on an uplift in the valuation multiple that takes into account improved investor sentiment towards the sector and its prospects.



Introduction

The physical activity sector is open for business – and more of it.



The physical activity sector is open for business – and more of it. Anyone with an interest in the health of the nation stands to benefit as a result. For that reason, the physical activity sector is a priority sector for the wider health of UK Plc.

The physical activity sector looks very different from how it did 10 years ago. Over the past decade the number of both public and private gyms in the UK has risen along with the number of members to reach 14.3% penetration³ – indicating plenty of room for further growth. Last year six of the 19 mergers and acquisitions taking place in the health and fitness market across Europe involved a British business, reflecting the UK's position as the largest fitness market in Europe⁴.

Lowering average membership fees has facilitated growth in the low-cost market, attracting new customers to the fitness market while squeezing mid-market operators for their existing members. "Pay-as-gym" and rolling contracts provide customers with a flexible offering and value for money – fuelling the growth of leading budget operators such as The Gym Group, PureGym, Xercise4Less and énergie's Fit4Less brand. It is clear that customers remain confident in the products and services provided, as the number of gym members continues to climb year by year. Deloitte's recent report, *Passion for leisure*, notes how consumers are now spending more of their disposable income on "non-essential" items such as going to the gym⁵, with low-cost memberships being an attractive option to new entrants into the health and fitness market.

However, the 6,435 gyms (which span the private, public and third sectors of the industry) providing services to 9.2 million members⁶ are only part of the landscape. Equipment suppliers, outdoor activity providers, mass participation events, children's activity providers, vocational training providers, health and fitness technology and activity merchandise suppliers, activity holiday providers, sporting delivery providers (including volunteer-led community activity), Corporate Social Responsibility (CSR) programmes and sponsorship, workplace health solutions, and activity and lifestyle providers all contribute significantly to the impact the sector is having on the health of the nation. The boom in boutique fitness studios has also been an exciting development for the sector over the past few years, with examples like Boom Cycle, Heartcore Fitness and Barry's Bootcamp generating a loyal following⁷. The appeal of boutique studios is their intimate, customer-focused service, which has ignited a resurgence of customer passion across the entire sector.

As mentioned earlier in this report, though the estimated 2015 valuation of £6.6 billion and the £7.7 billion 2016 valuation forecast of the private and public health and fitness sector is greater than previous calculations to date, we believe the total financial value of the entire physical activity sector is significantly greater, and therefore it is potentially substantially underestimated. The sector has continued to grow every year, and despite Brexit creating uncertainty for all markets, we are optimistic that the

industry will continue to grow substantially. We hope that organisations in the broader physical activity sector see the increasing benefit in providing in-depth access to their performance and growth projections in the future so as to showcase the true value of this broadening sector.

Servicing a health need

The physical activity sector is responding to and servicing a major national health need. The success of this sector is a national priority due to the impact that it can have on broader society. The total cost to the UK economy of physical inactivity is predicted to be around £20 billion annually, with 37,000 deaths occurring as a result of people being inactive⁸. With the benefits of regular physical activity being heralded by members of the NHS and the Academy of Medical Royal Colleges as a "miracle cure"⁹, activity is now firmly recognised as key to establishing and maintaining good physical and mental health and wellbeing.

Moreover, it is predicted that one in four people (25%) will be aged 65+ by 2050¹⁰. This means the already substantial burden on health services is likely to grow. Mass inactivity and the rise of lifestyle-related disease will increase the burden further. Physical activity is a mandatory inclusion in any strategy to manage the risk of falls and fractures in older adults and for the maintenance of an independent, happy later life. With links emerging to dementia and already established to a range of conditions such as arthritis, an ageing society amplifies the fundamental need for a thriving physical activity sector.

The rising prevalence of inactivity-related health problems is associated with both direct and indirect costs to the economy¹¹. In 2012 Sport England estimated the direct cost of physical inactivity to the NHS across the UK to be £1.06 billion¹². As people continue to live longer and retire later, and as the cost of health care increases, people will not only have a clear incentive to look after themselves in the future, they will find they have little choice but to do so. Health insurers, as well as the NHS, will increasingly rely on the physical activity sector to make their client claim books affordable in the long term.

Government strategy is aligned to the strategic direction of the sector and the mass needs of the UK public. The UK Government's new sport strategy, *Sporting Future: Towards an Active Nation*, moves away from a narrow focus of solely encouraging people to participate in sport and towards encouraging inactive people to become more active and healthy in a variety of ways compatible with the demands on their time. Moreover, the government is keen to get active those groups it has identified as under-represented and harder to reach, such as women and girls, the disabled, the elderly and those from a lower socio-economic group¹³. This strategy highlights the considerable scope for growth in the sector and ties the government into a series of KPIs which resonate with the sector's core objectives. This includes reducing the number of facilities with underutilised spare capacity, growing the economic value of the sector and reaching a broader audience with its

services. Over the next five years, £1 billion of funding is allocated to support this and create a more active climate in which this sector can thrive. The government has committed with this strategy to supporting the development of this market for many years to come by stimulating demand from current non-category users.

The prominence of workplace health and wellbeing programmes and their increasing priority on the corporate agenda further highlight the desire for UK organisations to improve the health and wellbeing of the nation. The Office for National Statistics reported that in 2013, 30.6 million days were lost to the UK labour market due to musculoskeletal problems alone¹⁴. Employers are becoming more aware that physical activity improves the productivity and health of their workforce, and employees are becoming more concerned about their health. The Global Benefit Attitudes Survey 2015/16 reported health as a top priority for employees. There is also a growing body of evidence indicating the health risks faced by an inactive employee. Findings from The Lancet's second Series on physical activity show that increased sitting time, common in societies where people are predominately sitting at work or when travelling, is linked to an increase in all-cause mortality, and that businesses should try and find more ways to get their employees more active.

A growing campaign by ukactive is highlighting and comparing past and present behaviour; once it would not have been uncommon to see packets of cigarettes shared in team meetings or smoking at

desks. Yet inactive, sedentary offices and their associated environments now create the same level of risk to our health and wellbeing. Future generations will note significant differences in their workplaces to those we inhabit today. Some businesses do offer incentives, such as subsidised or corporate gym memberships or “walking meetings”, to encourage employees to move daily. However, companies are increasingly looking to get creative with their health and wellbeing initiatives, thereby presenting operators, suppliers and new market entrants with an opportunity to capitalise on the growing interest in workplace health and wellbeing. There will be a time when an inactive office is seen in the same context as smoking at desks. This change in culture will serve as a further stimulus for the growth of the sector.

Innovation and technology

More than ever, organisations are using data-driven solutions and discovery-driven research to stay competitive and become more ingrained in the daily lives of their customers. Digital technology enables businesses to access data from activity programmes and service users, providing clear consumer segmentation and an indication of their health and fitness needs. Big data and advanced analytics enable companies to make informed and quick decisions in their day-to-day business. With the introduction of advanced machine learning techniques, this information can be used to stimulate innovative products and services. Health and fitness operators sit on goldmines of data highlighting trends in human behaviour, some of which stretches back decades. Historically this insight has been an underutilised asset within the sector, but it is now being mined successfully by the most enlightened operators. With investment and the introduction of new skill sets to the sector, this data is being unlocked to drive innovation. Technological developments have transformed the customer experience through easy-to to-use online booking and registration platforms and free mobile web apps. By utilising the ubiquity of mobile phones and the internet, organisations have the opportunity to interact with consumers throughout the day like never before, creating a physical and mental health and wellbeing service that extends beyond gym walls. Some expert commentators predict that, much like with the taxi market, it is only a matter of time before an Uber comes and shakes things up for the existing players in the market, stimulating demand in the process.

The health and fitness sector is at the heart of the digital revolution sweeping the globe. Wearable tech and applications have provided customers with the opportunity to monitor their fitness over time, providing insight and inspiring them to challenge themselves and others. The rise of the “quantified self”¹⁵ who plays an active role in managing their lifestyle has made it difficult to find a technology brand that has not launched a wearable device – Apple, Samsung, Sony, Philips and Microsoft all supply activity trackers. Google have made physical activity a central tenet of its brand-led marketing. New technology-led innovations are creating the chance for members to understand their current ability, DNA composition, current bio markers and risk profile, and tailor exercise programmes to manage them. Online streaming, augmented reality (AR) and virtual reality (VR) will bring an acceleration of enhanced consumer experience across the market. The next generation health club that is able to harness the above into a personalised, technology-led and evidence-based service is just around the corner.

The provision of VR and “immersive fitness” experiences holds much promise and can be especially important for boutique studios whose success depends in part on providing a unique and exciting fitness experience to attract and retain customers.

Disruption is also likely to come from outside the sector. The embryonic emergence of AR saw the physical activity sector expand to The Pokémon Company through the craze that swept the globe in summer 2016. This technology-led game attracted a new consumer segment to building activity into their lives, arguably temporarily but certainly profitably. It delivered healthy returns for its investors, having reportedly generated \$250 million in revenues in the first five weeks after its launch in July 2016, according to an international survey carried out by YouGov¹⁶. Whilst longevity may remain a problem, it has created a new category of service which may see further variations on the theme in the future (rumours abound of a Harry Potter-themed version) and a programmatic cycle akin to the release cycle of blockbuster films.

Partnerships

A vast multitude of partners hold a symbiotic self-interest in getting the nation moving and, as a result, a commitment to collaboration. The NHS’s decision to provide personal trainers and

exercise classes to hundreds of thousands of overweight people as a preventative and combative solution to diabetes¹⁷ indicates openness to cross-sector partnerships. Public and private sector partnerships enable organisations to deliver successfully on local, national and international needs of consumers in terms of health, physical activity and sport.

As brands continue to think about the future landscape in which they will be operating, there are plenty of opportunities for organisations in the sector to develop partnerships that engage consumers, employees and communities. We have seen this in the rise and popularity of Corporate Social Responsibility programmes.

Partnerships between mass participant event companies and operators and suppliers are becoming more common. Examples include PureGym partnering with The Great Run Company, Nuffield Health with Human Race, and Technogym becoming the official partner of the 10th Bloomberg Square Mile Relay in London in July 2016. In each instance, these partnerships provide both companies with a means to expand their reach to new demographics.

Vertical integration has also begun in the sector as businesses seek to expand their capabilities and consumer offerings. Life Fitness, owned by US listed giant Brunswick, have continued their march towards being a \$2 billion company through aggressive growth and acquisitions across the active lifestyle sector, bringing more diversity to their product range. Technogym’s acquisition of a majority stake in the global, digital membership engagement software business Exerp in April 2016 is a clear example of this, as is Les Mills’s investment in online, at-home exercise class platform LES MILLS On Demand. LES MILLS On Demand takes the brand into the homes of its loyal customers, allowing them to access their workouts anywhere, anytime, on almost any device and delivered by the best instructors in the world.

By continuing to invest in improving the customer experience through technology and research, listening to customers’ health and fitness wants and needs, and by building successful partnerships across and outside the sector, the physical activity sector will maintain its growth momentum.

The health and fitness sector is at the heart of the digital revolution sweeping the globe



Global fitness markets



Though the focus of this report is on the investment opportunities and market activity in the UK, the surge in activity in the health and fitness market over the past few years has been global, with many businesses directing their attention towards expanding their reach both at home and internationally.

The European health and fitness sector continues to remain strong, with 19 mergers and acquisitions (M&A) taking place in 2015, matching the previous year's performance and up from nine in 2013, according to Europe Active & Deloitte's European Health and Fitness Market Report 2016. This is a clear sign that the sector remains an attractive environment to investors.

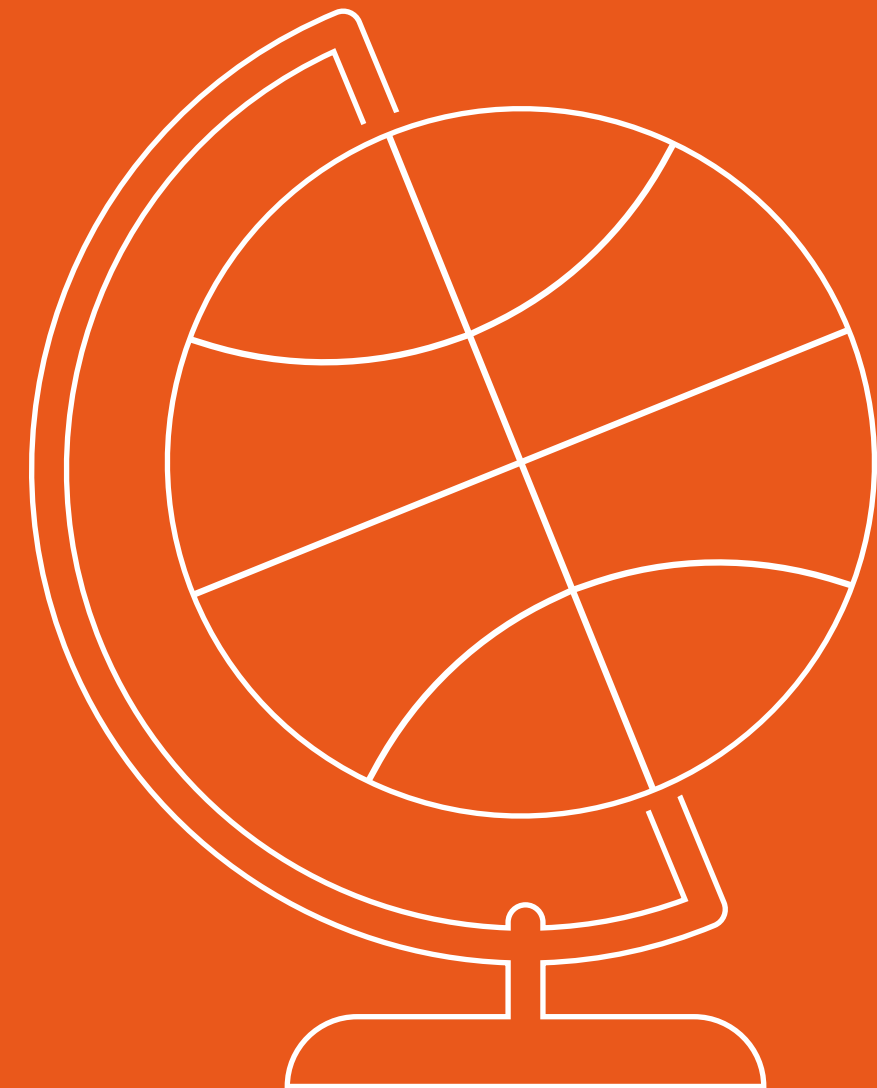
Alongside M&A, businesses are also considering other options for expansion, such as crowdfunding, capital investment, private equity and IPOs. Dutch fitness operator Basic-Fit, which owns 368 clubs servicing over 1 million members in five countries across Europe, took a significant step forward in the company's plans for expansion when it floated on the Euronext Amsterdam on 10 June 2016 by raising gross proceeds of €400 million to pay off debt and fund potential future acquisitions¹⁸. In the US, Planet Fitness, one of the largest US franchisors and health and fitness centre operators, has continued to thrive following its flotation on 11 August 2015 at \$16 per share. At the time of its IPO the business had 7.1 million members; a year on and Planet Fitness is serving an impressive 8.6 million members, with total revenue for the second quarter 2016 reaching \$91.5 million, a 15.9% increase on the previous year's performance¹⁹. These stories further

evidence the sustained investor interest in the low-cost gym sector. Moreover, it is not just gym operators successfully floating; Fitbit, the renowned activity tracker producer, took the plunge on 18 June 2015. At the time of the IPO Fitbit was reportedly worth \$4.1 billion. Following the IPO its value doubled, with shares of the wearable provider up 20% just four days after going public²⁰.

Companies in the sector are also looking to penetrate underdeveloped markets, capitalising on the long-term growth opportunities in areas where penetration rates are currently low. Virgin Active is currently focusing its attention on growing its portfolio in South East Asia, with the company reportedly investing up to £115 million in Thailand alone²¹. With average penetration rates in the Asia-Pacific region being reported at just 3.8%²² in 2015, there is certainly plenty of opportunity, and room, for business to flourish. In a similar vein, the penetration rates across the European market, though often greater than those in the Far East, are still relatively low, ranging from 1.9% in Russia to 19.4% in Norway²³, showing there is also further room for expansion across the European market.

The international context is useful for predicting further growth in the UK. When analysing the penetration rates of fitness memberships in international markets, there is a clear correlation between how active a society is generally and the penetration rates in fitness. Achieving the broader mission of more people, more active, more often is good for society and good for business.

The surge in activity in the health and fitness market over the past few years has been global



UK market activity timeline²⁴

2015

12 January
Xercise4Less secures a total of **£31 million** in funding as the operator aims to reach 100 sites by the end of 2016.

29 May
PureGym acquires 43 LA Fitness clubs for an estimated **£80 million**.

3 June
GLL secures the management contract for **six leisure sites** on behalf of Bath & North East Somerset Council.

16 April
Virgin Active is sold to South African investment firm Brait for **£682 million**.

26 June
Nuffield Health publishes Annual Report and Accounts 2014, reporting earnings reaching **£81 million** (EBITDA excluding exceptional items).

3 August
Phoenix Equity Partners announces intention to **float The Gym Group** on the London Stock Exchange.

4 November
DW Sport purchases **seven LA Fitness sites** from PureGym.

5 November
PureGym is reported to be spending **£20 million** on renovating the 43 LA Fitness sites it purchased earlier in the year.

9 November
The Gym Group completed its IPO on the London Stock Exchange with a valuation of around **£250 million**.

24 November
Anytime Fitness opens **3,000th site** in the UK town of Stroud.

3 December
PureGym announces **partnership** with The Great Run Company, a leading provider of mass participation running events in the UK.

3 December
PureGym ranks **9th on Sunday Times** Virgin Fast Track 100, while Xercise4Less places 17th.

2016

11 January
David Lloyd Leisure is believed to have agreed the sale and leaseback of 44 of its clubs to M&G Investments for **£350 million**.

21 January
PureGym launches an indoor cycling studio 'Pure Ride' in collaboration with **Olympic cyclist Chris Hoy**.

22 February
Oxygen Freejumping secures **£8 million** alongside a **£2 million equity investment** from Beechbrook Capital, a specialist provider of debt and equity capital to small and medium-sized business in Northern and Western Europe.

24 February
Xercise4Less secures **£70 million funding** from Business Growth Fund (BGF).

15 March
The Gym Group publishes its Annual Report 2015, showing revenues up by 32% to **£60 million** and membership figures rising to **376,000 members**.

13 April
Bannatyne is rumoured to be planning an expected **£300million IPO** on London's Alternative Investment Market (AIM).

15 April
PureGym reports a revenue increase of 82%, reaching **£125 million** as a result of strong growth and in anticipation of the company's expected IPO.

22 April
Snap Fitness confirms it has signed a deal with MSG Life to develop **30 UK clubs**.

4 May
Bannatyne Group announces its **profits have doubled** and that it is planning to open 16 new Bannatyne Spas.

6 May
GLL makes **£1.2 million funding** available for Olympic athletes through its Sport Foundation.

14 June
PureGym announces **partnership** with Dutch Telematics business TomTom.

16 June
énergie closes crowdfunding campaign, having raised **£629,300 from 283 investors**.

21 June
Silverfleet Capital backs the Lifetime Training's management **takeover** of the company.

22 June
UK-based business Virgin Active announces plans to **invest £150 million** in expanding its portfolio across South East Asia.



Anytime Fitness open 3,000th site

1 August
Nuffield Health acquires 35 Virgin Active Clubs for an estimated **£80 million**, expanding its portfolio of fitness and wellbeing gyms from 77 to 112.

5 August
GLL finalises merger with North Country Leisure (NCL), increasing the number of sites GLL operates to **over 250**.

14 September
PureGym announces plans to float on the London Stock Exchange in October 2016, raising an estimated **£190 million**.

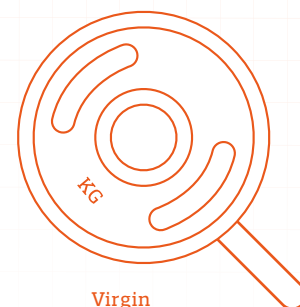
31 August
The Gym Group releases its pre-tax profit and a maiden dividend, reporting revenues **rising 25.1% to £36.1 million** in the first six months of the year.

30 September
UK operator DW Sports completes its acquisition of **62 Fitness First clubs**.

9 July
Water Babies Directors Steve Franks and Paul Thompson sign a **£2 million contract** with Shenzhen L.M. Global Education & Technology to expand the brands reach east into the Chinese Market.

14 July
David Lloyd Leisure announces partnership with Reebok Spartan Race UK, offering a **free 14-day trial** for Spartan Race UK contestants at their local club.

PureGym report revenues of **£125m**



Virgin Active launch Discovery Lab

Valuation of the UK private and public health and fitness sector

ukactive partnered with Mazars, a leading international advisory and accountancy organisation specialising in valuations, and sponsorship experts Nielsen Sports in 2015 to calculate a 2015 valuation of the health and fitness sector.

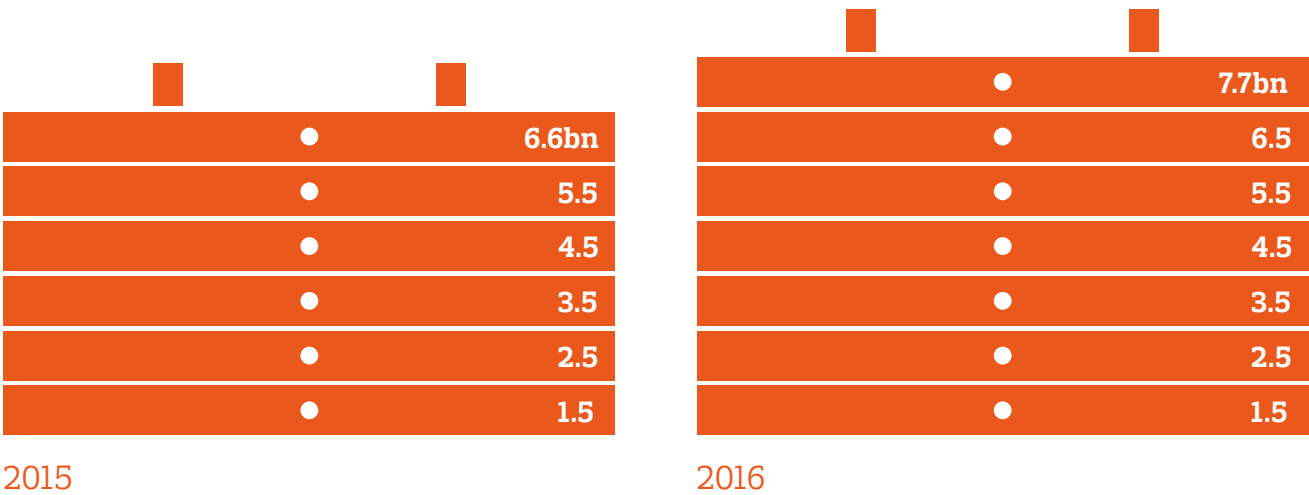
In 2016, Mazars suggested a set of valuation parameters, which were used by ukactive to estimate a 2016 total financial valuation forecast. Following the results of the EU referendum on 23 June 2016 there has been considerable economic and market uncertainty. It remains unclear what the impact the Brexit result will have on valuation parameters of businesses in general and in the sector in particular. Therefore, no specific adjustments were made to Mazars' valuation parameters as a result of the vote.

Nielsen Sports supported ukactive in creating an estimated 2016 forecast for sponsorship value using increased annual growth rates for the private and public sector to project the 2015 valuation to an estimated 2016 figure.

These processes are described in further detail in the methodology section of this report.

1 TOTAL ESTIMATED VALUATION FIGURE

The project produced a total estimated valuation figure of £6.6bn for 2015 and an estimated forecast of £7.7bn for 2016.

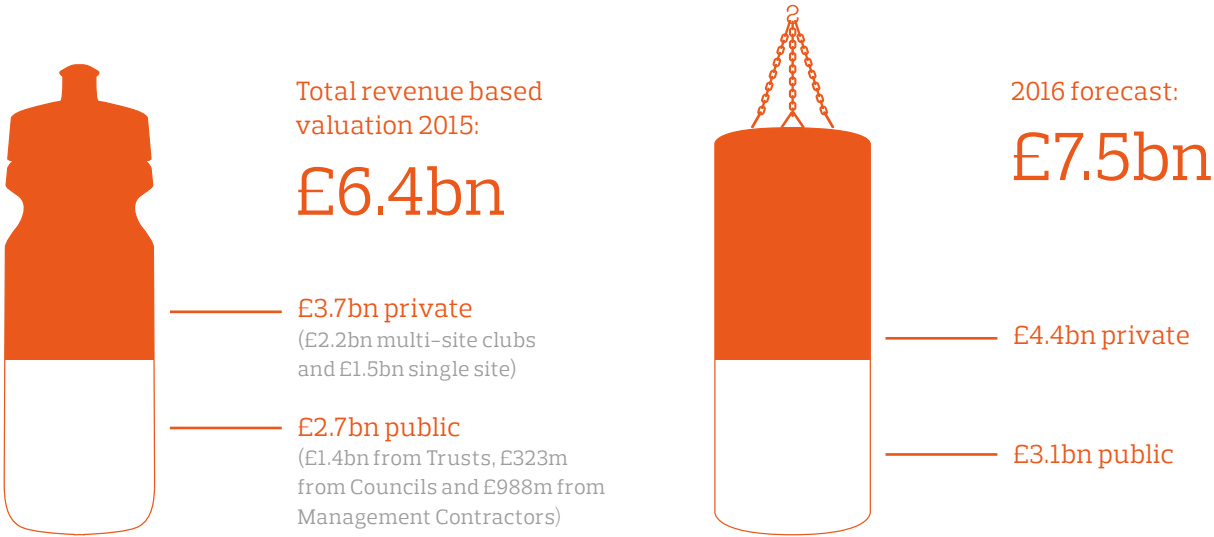


2 SPORT ENGLAND'S ECONOMIC VALUE OF SPORT: HEALTH CONTRIBUTION

In 2013, Sport England examined the economic value of the sport and physical activity sector in England. It valued the health contribution at £11.2bn per annum. To generate this figure research was undertaken to value the healthcare costs saved and the total economic value²⁶.



3 FINANCE VALUATION



PRIVATE: The private sector provides millions of consumers with the opportunity to participate in physical activity and sport programmes with little or no public funding.

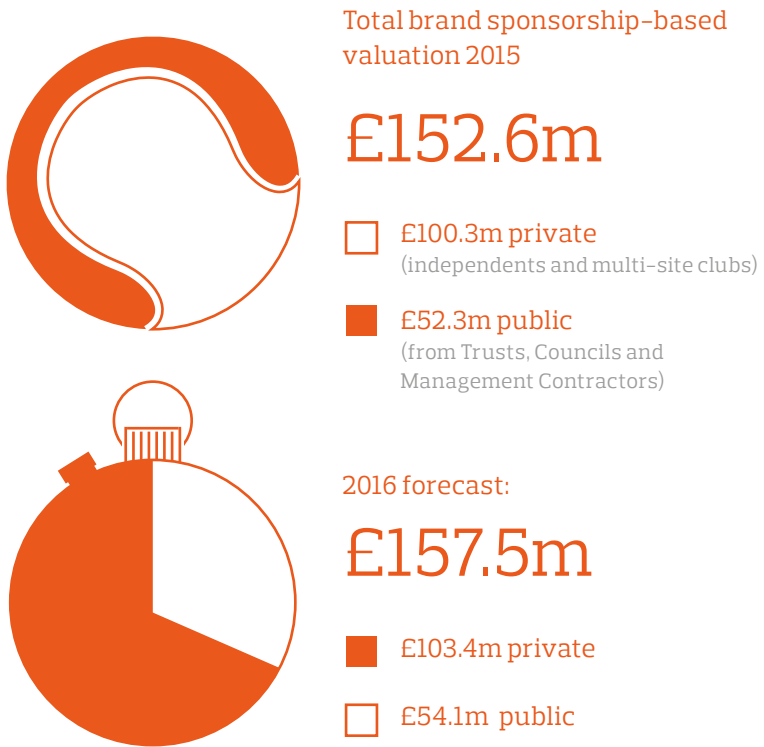
PUBLIC: Local authorities provide communities with access to sport and physical activity programmes, in part through funding the provision of leisure centres, pools and gyms in their area²⁵. Much of this provision is increasingly run without subsidy from the state, although significant proportions of the sector are still operated with public support to underwrite provision to certain priority, under-represented groups or to support centres deemed to require subsidy to operate effectively.

4 BRAND SPONSORSHIP VALUATION

Brand sponsorship value is the **sponsorship value** that can be derived from available assets that have the **potential to be branded**. At the most granular level it is how much value a company could generate by selling tangible assets, such as branding their facilities, membership, classes etc. to a sponsor.

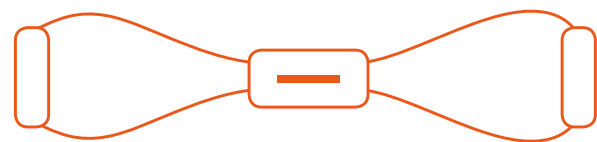
It is not to be confused with brand value (equity) that recognises brand reputation and association as an intangible asset.

The sector has yet to realise its true value and potential by way of its sponsorship value. It entertains millions of customer visits per week, with immense consumer reach. This underutilised asset is reflected in the contained valuation provided to it but is expected to grow significantly with greater commercial exploitation in the years ahead.



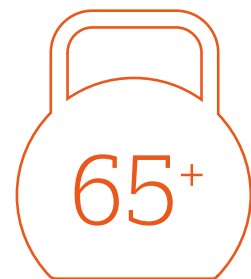
What is driving the growth in value?

Economic value and growth is being driven by more than rising revenues. Growth in value is also being driven by:



New pricing models

including rolling contracts, product bundling and elastic pricing.

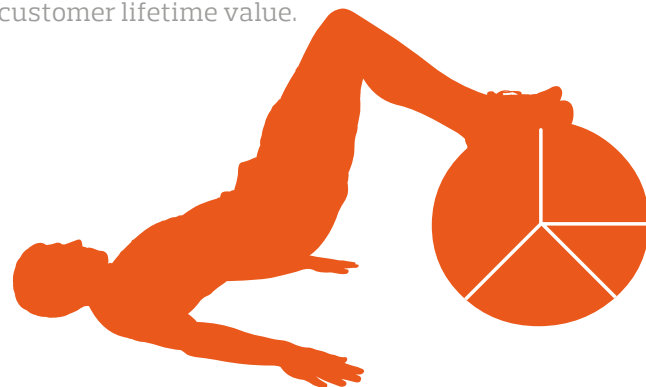


New consumers

such as older females and over 65s, entering the market.

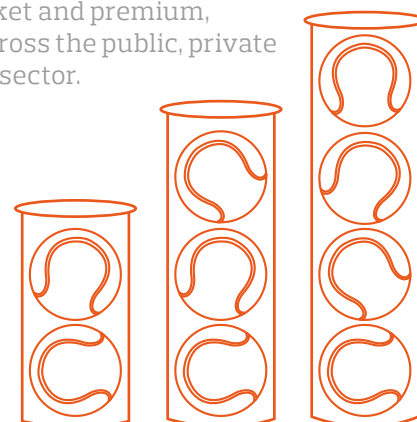
Better industry approach to segmentation and customer insight

utilising Customer Relationship Management (CRM) systems and data to increase motivation and create active habits, thereby extending tenure and customer lifetime value.



Further segmentation

in the market with clear consumer propositions, ranging from extreme low-cost, to budget, through to mid-market and premium, spread across the public, private and third sector.



to monetise the base

beyond subscriptions, such as new product and concept development, personal training, branded clothing, and digital services.



Social media and platform innovation

bringing new consumers into the market.

Value engineering

leading to better club facilities for less capital.



The digital acquisition

of customers providing an inexpensive and more effective model to drive membership.

Defining the physical activity sector

Opportunities beyond health and fitness.

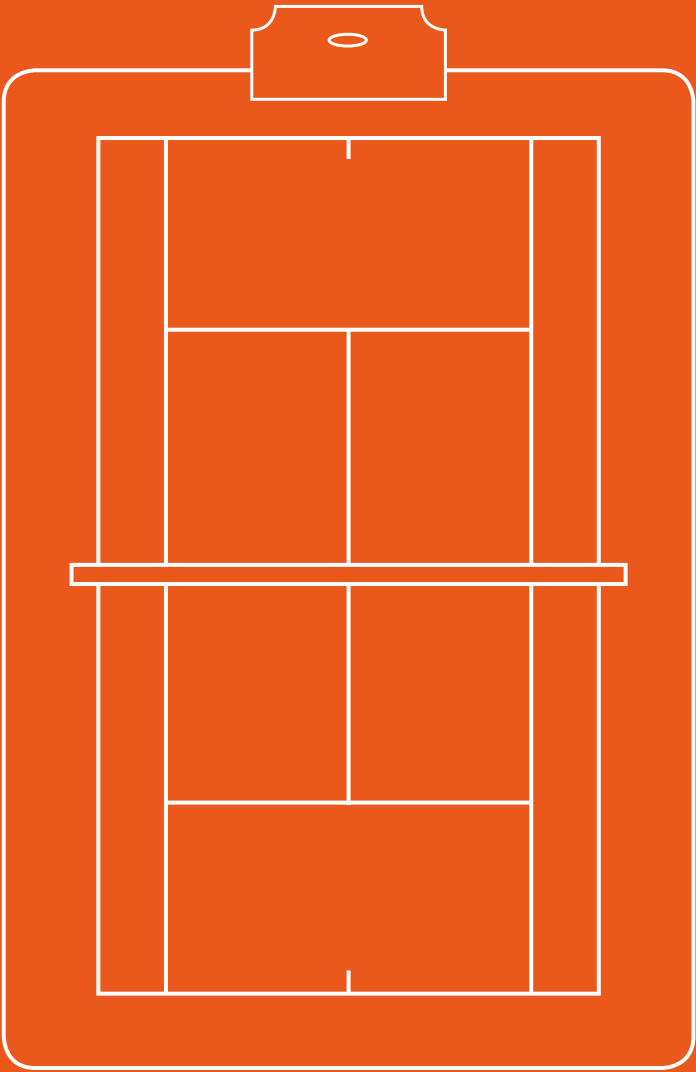
Private and public health and fitness operators form part of the wider physical activity sector, which is comprised of a variety of different organisations, all contributing to the health and wellbeing of the nation.



- » PRIVATE SECTOR FACILITY OPERATORS (gyms and leisure facilities)
- » PUBLIC SECTOR FACILITY OPERATORS (gyms and leisure facilities)
- » VOCATIONAL TRAINERS (skills and qualifications)
- » SPORTING DELIVERY (including volunteer-led community sport provision)
- » EXERCISE EQUIPMENT SUPPLIERS
- » ACTIVE HOLIDAYS
- » ACTIVE TECHNOLOGY (such as wearable fitness trackers and fitness apps)
- » LIFESTYLE PROVIDERS
- » WORKPLACE HEALTH AND WELLBEING
- » ACTIVITY MERCHANDISE (such as branded clothing, water bottles and towels)
- » CHILDREN'S ACTIVITY PROVIDERS (in and outside of schools)
- » FITNESS STUDIOS
- » MASS PARTICIPATION EVENTS
- » OUTDOOR ACTIVITY PROVIDERS
- » CORPORATE SOCIAL RESPONSIBILITY-FUNDED PROGRAMMES

Case studies

The following case studies show the variety of growth and investment opportunities available for the physical activity sector. They include success stories from public and private gym operators, fitness equipment suppliers and franchisors.



Alliance Leisure

Case study



Alliance Leisure's services are specifically designed to meet the changing needs of the public sector, education and Leisure Trust market via two key divisions: Facility Development and Client Support. The company's Facility Development division helps design, build and fund innovative, relevant and sustainable facilities that drive community engagement, increase participation in a changing physical activity environment and drive income to create sustainable outcomes. Meanwhile, its Client Support division offers the complete sales, marketing and retention solution to empower Local Authority and Leisure Trust staff to increase levels of income and improve customer service to their end consumers.

Since it was started in 1998 the company has developed over 100 projects and invested over £100 million into leisure facility development. The Alliance mission is to continually challenge the sector into looking at its facilities differently, unlocking space that can be developed into new, innovative, activity areas that deliver on community engagement, and increasing income.

Alliance has recognised for a number of years that developing fitness facilities that cater for just 14.3% of the UK population is not enough, particularly with the emergence of the low-cost gym facilities. With the growing health, wellbeing and social objectives that the public sector

has to provide for, Alliance's recent developments have focused on providing leisure operators with a wider range of leisure activities that are attractive to their local community and still provide a commercial return.

The indoor skate parks Alliance has developed attract 5–20-year-olds that previously would have been restricted to outdoor skate parks and the barriers of the British weather. Howe Bridge Leisure Centre generated over 2,000 visits (including over 800 skate park users) to its new family adventure zone in under four weeks.

The Summit at Selby, a £5.3 million leisure development that boasts first-class facilities, including an aerial trek, indoor skiing, adventure climbing wall, indoor skate park, huge soft play area, new café and an eight-lane bowling alley, has been developed to increase participation while bringing health benefits to community groups who previously would not have considered using their local municipal leisure centre. Similarly, VerTigo indoor family climbing centres attract families that may not otherwise be engaged in the traditional swimming, badminton and squash offering. Harlow Leisurezone's VertiGO climbing facility now attracts over 500 visitors per week during school holidays. Meanwhile, a new toning suite at Burnley Leisure gained 160 new members, with 65% of customers over 56 years old and who previously would not have used

the leisure facilities, growing the market as a result.

Alliance is also supporting leisure operators with sales, marketing and customer retention interventions and training. The main delivery mechanism for this support is through zero-risk, income-share partnerships which only trigger payment to Alliance when pre-agreed targets are surpassed. The success of this support mechanism is illustrated by a new contract with Leeds City Council where a 20%+ increase in year-on-year membership sales has been achieved through staff training and effective marketing campaigns.

Future ambitions

With a strong focus on physical activity and the direct health benefits this brings, Alliance Leisure will be working with numerous local authorities to enable the costs of providing leisure and physical activity to be reduced as the protection of their non-statutory service is put at greater risk. Introducing new activity and play concepts will remain one of the company's objectives, with plenty of innovative developments to come. This is supported through Alliance's income-share partnerships in which their client support team ensures business plan targets are met; income, health and participation levels increase in the local community; and employees see an investment in their development through training and coaching.

£100m
invested into over
100 leisure facility
developments

Anytime Fitness

Case study



Anytime Fitness was founded in 2002 in Minneapolis, USA, and is now the world's largest health club network with over 3,200 clubs open in 23 countries and growing. Over 2.5 million members choose Anytime Fitness with a new member joining every three minutes. The convenience and affordability of its product, for both franchise owners and members, is just one of the many features which allow its business to thrive. The company offers a business model for franchise investors that allows for a great work/life balance while providing their communities with a convenient and affordable, 24-hour health club.

Since its first opening in the UK, in October 2010, Anytime Fitness has seen its club network steadily increase, and it now has 100 clubs trading across the UK and Ireland. In the past 12 months the company has opened 50 new clubs, with its franchisees investing £0.5 million of total capital per club, for a total of £25 million investment into the franchise system in this period. Its clubs employ around four members of staff per club, creating over 200 new jobs, and over 400 since launch*.

The rapid growth of Anytime Fitness has attracted over 170 UK franchisees to invest in its business model. The company attracts investors and owner-managers who have a passion for fitness and who generally come from outside the fitness industry, bringing new talents into the sector as a result. Its franchisees see the

entrepreneurial opportunity as well as the chance to support local communities in "Getting to a Healthier Place". These external investors bring with them a vast array of beneficial experiences from outside the sector, and this experience, coupled with the business's franchise model, makes for a hugely successful partnership.

Anytime Fitness's finance partners, NatWest and HSBC, have significantly influenced and supported its UK growth and have developed a thorough understanding of the business model and the needs of individual franchisees. NatWest has been working with the business since 2010 and is providing over £2 million of finance to franchisees. Its second finance partner, HSBC, has also been working with Anytime Fitness from inception and has already lent over £10 million to around 60 franchisees, with a similar value forecast in the very near future.

From a member engagement perspective, Anytime Fitness has been running its #MyAnytimeStoryUK project. This campaign is designed to capture member testimonials and build on Anytime's community ethos. Members can post their transformational stories and directly engage with one another on its microsite, supporting and praising each other's achievements. Since launch in summer 2016, over 24,000 users have visited the site and 50 individual stories

3,200
clubs open in
23 countries

have been created, in addition to hundreds of member interactions, including comments and social shares.

Future ambitions

The company has plans for another 400 locations in the next five years, requiring £160 million of investment funds. Its franchisees will provide approximately 30% of this capital and 20% will be sourced through asset finance, leaving the balance of £80 million for the banks or other investors to finance. From these numbers, it is key for the business to have this continued investor support.

Anytime Fitness's global success rate is over 96% and it is this statistic which attracts so many new franchise investors. With over 340 territories already sold, the company is well on its way to its target of 550 clubs open by 2020. Anytime Fitness is the fastest-growing franchise globally, and in the UK the business is playing a vital part in the worldwide success.

*These figures do not include the jobs created in the Anytime Fitness supplier/partner network.

David Lloyd Leisure

Case study



475,000
members across
the UK and Europe

David Lloyd Leisure (DLL) was founded in 1981 by former professional tennis player David Lloyd. In 2007 the company was sold by Whitbread Plc, which acquired the business in 1996, to UK-based property company London & Regional Properties and Caird Capital LLP for an estimated £925 million²⁷.

In 2013 London & Regional Properties sold the business to leading private equity firm TDR Capital for an estimated £750 million²⁸. That was the largest transaction in the health and fitness sector in that year. Following the acquisition, the company reported an annual turnover of £253 million for the year ending December 2014²⁹.

Today it is Europe's largest operator of premium racquet, health and fitness clubs, operating 83 sites across the UK and 11 in Europe, with over 6,000 employees servicing around 475,000 members³⁰.

The business delivers a high-end, family, inclusive service to its members, providing over 10,000 fitness classes each week in around 90 studios and teaching more than 12,500 children tennis as part of its Tennis All Stars coaching programme. The company also operates a number of sub-brands including DL Kids, DL Studios and the DLicious Cafebar. It now has five David Lloyd Studios in the UK, providing members with a "pay-as-you-go" service entitling them to high-intensity studio workouts, personal training sessions and Orangetheory fitness training.

David Lloyd Leisure secured a £350 million contract with expert UK investment

managers and leading international asset advisers M&G Investments for the leaseback and sale of 44 of its UK racquet, health and fitness clubs in January 2016. The majority of the funding was provided by M&G Secured Income Property Fund, advised by M&G Real Estate³¹. The business has now invested over £80 million in renovating and improving its 77 UK clubs, and it has opened three new clubs this year in Antwerp (Belgium), Newbury and Glasgow, with a fourth opening in Colchester in October³².

In August 2016 the business announced the launch of a new £4 million marketing campaign "COME TO LIFE" to relaunch the brand, which included David Lloyd Leisure's first ever TV ad. Filmed at its club in Chigwell, Essex, the campaign illustrates both the breadth of facilities on offer at the clubs and the brand's investment in making its clubs the go-to place for members to come together to keep fit, have fun and relax with family and friends.

The company has also entered into a number of high-profile partnerships, including Jaguar, Zoggs, Ricoh, Universal Music UK and, more recently, Reebok Spartan Race UK in July 2016 and British skin care and spa brand Elemis³³ in August 2016³⁴.

Future ambitions

David Lloyd Leisure is expected to maintain its impressive growth, reaching 94 clubs by the end of 2016 with ambitious plans for growth over the next two years.

énergie Group

Case study



£629,300
investment secured
from 283 investors

énergie is the leading UK fitness franchise business. Since its conception in 2003 énerige has grown to operate trading fitness clubs in 93 locations across five countries. Its ambition is to open around 30 new clubs a year. At the core of the company is the notion that local ownership will ensure its gyms are tailored to the needs of the community and local customers. The physical activity sector offers an appealing alternative to fast-food franchise investment following the government's call to action on obesity in the UK. Through providing an attractive franchise investment opportunity, énergie and its master licensees secured 36 new franchise contracts in the financial year ending September 2015³⁵.

The Group's three brands – énergie fitness, fitness for women and Fit4less by énergie – have won multiple awards across the fitness and franchising sector, including ukactive Flame Awards Health Club Operator of the Year 2016, a number of regional awards at the Health Club Management Member's Choice Awards 2014 and shortlisted in the "Best Website" category at the British Franchise Association Awards 2016. By serving the

low-cost market through Fit4Less, the mid-market sector through énergie fitness, and women-focused fitness through its fitness for women brand, the Group is able to tap into three different market segments, building a family of brands that appeals to a wide consumer base. The Group has also found innovative ways to engage new customers, such as partnering with Paramount Pictures to promote their films Terminator Genisys and Hercules, and more recently with Warner Bros. Pictures' Creed, starring Sylvester Stallone.

This year énergie listed itself on Crowdcube, a leading investment crowdfunding platform, with the aim of raising £500,000 investment to further fuel the company's growth. Alongside expanding énergie's franchisee network, the funding will also enable énergie to invest in technological innovation and the development of a new training academy. It closed its crowdfunding round in June 2016, exceeding its target of £500,000 by securing a reported £629,300 from 283 investors³⁶. Investors received 4.03% equity in the company, which is currently valued at around £15 million³⁷. British entrepreneur Lara Morgan was the

company's biggest investor, contributing £100,000 towards the crowdfunding initiative.

Future ambitions

By 2023 énergie aims to have 582 clubs, over 1 million members and a £172 million network turnover³⁸. This may seem an ambitious target but the organisation's franchisee model has already led to rapid growth and proven its scalability, with a further 31 franchisees set to open in 2016 on top of its current 93 clubs. The company's partnership with Hedgehog Business Solution shows its willingness to innovate and embrace technology to improve the customer experience, a strategy which will be essential for the growth of companies across the sector. The company is also looking at potentially expanding its reach to the Middle East and the Far East.

énergie has suggested that its plans for growth could include an IPO, with the company having completed much of the due diligence in 2012 when it considered floating on the stock exchange. Alternative options could be private equity funding or through trade sales³⁹.

Greenwich Leisure Limited

Case study



From humble beginnings in 1993, Greenwich Leisure Limited (GLL) has successfully grown its portfolio from a single site in Greenwich, south-east London, to more than 230 leisure, sports and cultural facilities. As a social enterprise the company "trades with a social purpose", employing a workforce of over 10,000 people and generating a turnover of around £225 million⁴⁰ in 2015⁴¹. The company has successfully created a strong, federated regional network while keeping the local community at the heart of its service delivery and staffing. In 2015 GLL received over 40 million visits to its facilities.

Operating under the brand name "Better", it is the UK's largest provider of public leisure, working with 40 local authorities and public organisations. The Better Swim School is also the largest provider of swimming lessons in the UK, with 116 pools serving 100,000 members across 100 locations. Despite Sport England reporting a general decline in the number of people swimming once a week⁴², GLL's Better Swim Schools have seen a rise of 28% in swimming participation since 2012.

Following its merger with Nexus Community in 2011, with whom the company had been working in partnership since 1996, the company's geographic reach now extends far beyond the south-east to include Belfast, Manchester, Carlisle, York and Cardiff.

The company has sustained rapid growth over the past few years, culminating in its decision in 2013 to raise capital by issuing a social impact bond, promoted by banking partners Triodos Bank NV, offering investors a fixed gross return of 5% per annum and the chance to help contribute to the company's charitable mission. The company's innovative choice to raise investment through a social impact bond aligned with its status as a social enterprise and its mantra of existing to benefit the community through providing quality leisure and fitness opportunities for all. It has also helped restore one of London's historic lidos, Charlton Lido in the Royal Borough of Greenwich.

By December 2013 the company reached its social investment bond target of £5 million, receiving support from over 300 individual investors and a number of established institutional investors such as the Rathbone Ethical Bond Fund, City of London Corporation Social Investment Fund and the Bank Workers Charity. The minimum investment was £2,000 or £200 for GLL employees. This enabled GLL to continue its development of the London 2012 Olympic legacy venues The Copper Box Arena and The London Aquatics Centre, and deliver on its mission to encourage the surrounding communities to take part in physical activity and sport.

GLL's Sport Foundation is now housed in The Copper Box Arena at Queen Elizabeth

Olympic Park in east London. This was developed to support talented athletes reach their athletic potential through skills development and training. Since 2008 the GLL Sport Foundation has awarded over £6.1 million in athlete award bursaries, supporting emerging talent and preparing young athletes to compete on national and international stages. In 2016 seven athletes supported by the GLL Sport Foundation programme came home with a medal from the Rio 2016 Olympics⁴³.

Future ambitions

In late 2016 GLL will merge its operations with 16 North Country Leisure (NCL) venues, bringing NCL facilities entirely under the "Better" brand⁴⁴ and increasing the number of sites operated by GLL to over 250. The merger will enable future growth and presence of the company across the North as well as improve facility services and programmes. GLL also has plans to fully merge with its other subsidiaries, Tone Leisure Group Limited and Carlisle Leisure Limited, in 2016.

GLL aims to continue to grow its portfolio through developing and running "stand-alone" facilities as well as leveraging its expertise in securing new council partnerships, such as its recent Lincoln Libraries Contract.

£225m
turnover in 2015

Nuffield Health

Case study



Nuffield Health is one of the leading not-for-profit UK healthcare organisations, delivering connected health and wellbeing services. Established in 1957, it has a long-standing reputation as a leader in the health and wellbeing market and, unlike other companies, Nuffield Health does not have shareholders so it can reinvest profits back into front-line member and patient services.

Nuffield Health aims to "advance, promote and maintain health and healthcare of all descriptions, and to prevent, relieve and cure sickness and ill health of any kind, all for the public benefit"⁴⁵. The company provides access to thousands of health experts through 31 hospitals, 112 fitness and wellbeing gyms, 212 corporate fitness and wellbeing centres and four stand-alone medical centres. In addition to gyms and hospitals, Nuffield Health's broad health and wellbeing services also include health assessments, nutritional therapy, occupational health, diagnostics and physiotherapy – and Nuffield Health has the largest network of physiotherapists outside of the NHS.

Nuffield Health prides itself on offering a holistic and connected health and wellbeing service to customers. Its vision of a "One Nuffield Health" complete health approach drives company innovation, ensuring that despite its great financial successes (EBITDA rose to an impressive £86 million in 2015, a 17% increase on 2013,

while revenue increased to £768 million), it does not rest on its laurels – Nuffield Health's recent acquisition of 35 Virgin Active clubs on 1 August 2016 expands its portfolio of fitness and wellbeing gyms from 77 to 112⁴⁶, which suggests it has no intention of doing so. In 2015 Nuffield Health invested almost £100 million in its facilities, including a new Cambridge Hospital and Manchester Diagnostic Suite, and it acquired two central London gyms.

Nuffield Health has also undergone an internal restructure to bring together its hospital and wellbeing functions under a single Operating Board to further streamline its processes and create a greater sense of unity⁴⁷. This restructuring has enabled the organisation to reduce company overheads by £2 million per annum.

Nuffield Health's growth momentum could also be attributed to its numerous technology, innovation and research partnerships. In 2015 Microsoft announced Nuffield Health as its health and wellbeing partner for the launch of the company's latest fitness tracker, Microsoft Band. Nuffield Health collaborated with Microsoft to offer customers goal-based workouts tailored for the Microsoft Band. Later that year Nuffield Health partnered with one of the UK's biggest mass participation events companies, Human Race, for a two-year partnership offering health and wellbeing support to race participants.

More recently the company partnered with the University College London (UCL) Faculty of Engineering to explore and understand economic benefits of connected healthcare. This information will ultimately be used to inform the delivery and development of integrated healthcare programmes and services. The company has an existing partnership with Manchester Metropolitan University, with which it plans to conduct research into the prevention of lifestyle disease and the management of chronic diseases as well as emotional health and wellbeing.

Future ambitions

Nuffield Health aims to be the UK's leading health and wellbeing provider⁴⁸ by 2020. The not-for-profit's acquisition of the 35 Virgin Active clubs has already taken it closer to this ambition. In 2016 Nuffield Health received planning permission to build a new hospital next to Manchester Royal Infirmary, which is due to open in 2018. Nuffield Health has also been announced as the preferred bidder to design, build, fund and operate a private patients unit at St Bartholomew's Hospital. This, alongside the company's structural and reporting modifications, will allow Nuffield Health to successfully compete in a changing health landscape, characterised by an ageing population that is putting huge resourcing pressure on the NHS.

£100m
investment into
its facilities in 2015

Oxygen Freejumping

Case study



Oxygen Freejumping was established in 2015 by former ukactive CEO David Stalker and former LA Fitness Founder and CEO, and ukactive Chair Fred Turok. It provides an innovative way to get fit while having fun through trampoline-based exercise classes.

Indoor trampolining and “jumping gyms” have been a fast-growing attraction in the USA over the past few years, with the International Trampolining Association identifying almost 500 parks – or those close to opening – across the USA, with a further 80 in Australia⁴⁹. Additionally, there are now 119 parks either open or under construction in the UK, which marks a rapid growth since the first park launched in May 2014. Bryony Page’s historic silver medal win for Great Britain at the Rio 2016 Olympics will no doubt provide a further “shot in the arm” for the sector and have a positive effect on the number of people participating in the sport in the UK.

From the beginning the company’s vision was popular with investors. In its initial fundraising stage, the company raised over £2.5 million to support Oxygen’s

launch across two parks, West Acton and Southampton. Oxygen’s model is distinct from its competitors. It combines high quality fit-out, including professional-level trampolining equipment (with each site’s fit-out and build costing around £1.5 million), with a diverse range of classes for all ages and demographics. The company’s wide range of products, partnerships and programming provide a balanced revenue model, profitable in both peak and off-peak times. Activities stretch from birthday parties and boutique fitness classes to Parkour and professional gymnastics.

Just over a year after opening its first site in West Acton, the business is set to become the UK’s largest trampoline park operator. The company has signed eight sites, five of which are open and trading. In January the company announced a landmark multi-site agreement with Lucozade Powerleague⁵⁰, swiftly followed by the acquisition of sites at the Leeds Cardigan Fields Leisure Park and Croydon Colonnades, and finally an agreement with Virgin Active to transform the former Sheffield Millhouse.

The most recent expansion has been supported by Beechbrook Capital, a specialist provider of debt and equity capital to small- and medium-sized business in Northern and Western Europe, which contributed £8 million alongside a £2 million equity investment. Managing Director of Beechbrook’s UK SME Fund, John Herbert, referred to Oxygen as “a fantastic example of the type of business we are looking to support thanks to the strength of the management team, the quality of the Oxygen offering and the performance of the business to date”⁵¹.

Future ambitions

The company aims to lead the sector and grow to 30 sites by the later stages of 2018. Despite being a fledgling market, competition for sites is stiff; but having signed eight sites, Oxygen shows no signs of slowing down, with both portfolio expansion and new products soon to come to market that fundamentally change the existing trampoline park model.

£8m investment from Beechbrook Capital

£2m equity investment

Places for People Leisure

Case study



Founded in 1991, Places for People Leisure (formerly known as DC Leisure) is a leading management contractor that operates 115 leisure facilities in 35 local authorities throughout England. It is the leisure management arm of Places for People Group – which also provides property management, development and regeneration – offering local authorities the chance to help improve the health and wellbeing of the local population while reducing revenue costs. With 30 million visits annually and 200,000 members, the business employs nearly 9,000 people and provides swimming lessons to 64,000 children each week⁵².

Places for People Leisure reported strong performance in 2015–16, with income increasing across existing contracts by 3.1% over the year and Earnings Before Interest and Tax (EBIT) increasing in the same contracts by 5.2%. The business also managed to secure two new 10-year contracts for Dartford and Sheffield City Council and four contract extensions – an impressive achievement in such a highly competitive market. In 2016 the organisation was the only operator nationally to receive a Quest Stretch “outstanding” for Sports Development by the UK Quality Scheme for Sport and Leisure (Quest) and was ukactive’s Leisure Centre Operator of the Year from 2013–2015⁵³.

As a social enterprise, Places for People Leisure reinvests its surpluses back into the organisation to further its social purpose of “creating active places and healthy people”⁵⁴. The business delivers a wide range of programmes to improve the health and wellbeing of a significant number of local residents around the country. Recently the business entered the low-cost gym sector through launching community gym brand “Places Gym”, expanding its potential market reach and furthering its social purpose of getting more people to be more active.

Over the past decade Places for People Leisure has continued to grow, building 12 new leisure centres, with two more due to open in 2016 and 2017, equating to over £140 million of investment by its local authority partners and £10 million by Places for People Leisure. In February 2014 Places for People Leisure was awarded a 20-year contract to design, build, operate and maintain the new Hinckley Leisure Centre on behalf of Hinckley and Bosworth Borough Council. As part of the contract, Places for People Leisure managed the old Hinckley Leisure Centre from September 2014 until the new £15 million Hinckley Leisure Centre opened in June 2016, during which time participation significantly increased from 650,000 to 880,000 – an increase of 35%.

64,000 swimming lessons for children each week

Places for People Leisure spent £7.7 million on improving facilities and equipment in the last year, providing new innovative and sophisticated centres to increase participation in physical activity. In particular, Places for People Leisure has invested £2.7 million in works to date within its leisure management contract with Mid Sussex District Council. Since the works were completed in October 2014 there has been a 43% increase in members, and from 2014–15 admissions have increased by 23%. A further £1.9 million will be invested by Places for People Leisure in 2016, along with £1.2 million from Mid Sussex District Council to enhance the current facilities and increase participation even further.

Future ambitions

Places for People Leisure’s ongoing objectives are to increase participation at its facilities while continuing to pursue its health and wellbeing strategy and improve products and services. It aims to continue its steady growth, recognising the recent government sports strategy Sporting Future, which launched in December 2015 and aims to work with its network of strategic partners to obtain further funding and enhance sporting opportunities for all members of the communities it serves.

Precor

Case study



Precor is a global provider of fitness equipment, guided for over 35 years by the simple and enduring principle of enhancing the member experience. Precor has a strong reputation for providing class-leading, premium fitness solutions and is part of the €2.5 billion Amer Sports Corporation – the world-leading sports equipment company.

Founded in 1980 in Seattle, Washington, Precor has developed a reputation for premium quality, excellence and innovation. Among many other achievements, in 1995 Precor changed the face of aerobic exercise by introducing the world to the first Elliptical Fitness Crosstrainer. In 2007 Precor replicated this landmark achievement by launching the world's first Adaptive Motion Trainer (AMT), and in 2011 the company launched the next generation of CV equipment – the Experience Series – before releasing Preva networked fitness and the new AMT with Open Stride.

Precor has continued to grow further with the acquisition in 2015 of Queenax, the world's most unique, modular, functional training system. As a pioneer in the functional strength training space, Queenax has earned a reputation as the most flexible, functional training space sets and systems available in the market. The demand for versatile training options has increased over the past few years and Queenax holds a global leadership position for functional training.

The company has been involved in various projects and joined into new partnerships with customers and franchisees across the UK. This includes working with renowned private operator Virgin Active, which currently owns 273 health clubs in 10 countries. The group prides itself on its innovation and, as such, kits its gym floors with the newest and best products available. This includes Queenax, which now features in more than 100 Virgin Active clubs worldwide. Virgin Active recently refurbished its Wandsworth Southside club in London and opened the brand new Collection Club Merchant Square in Paddington, both featuring Queenax rigs, bringing the total of UK Virgin Active installations to 28 clubs.

In addition to Virgin Active, Precor works with the world's largest 24-hour fitness club chain, Anytime Fitness, which recently opened a new club in Knutsford. The club is the first Anytime Fitness in the UK to install a Queenax functional training system. This site showcases a corner Queenax unit and Precor cardio stations, including an AMT with Open Stride, all connected with Preva networked fitness, along with Precor Vitality series strength equipment and an Icarian machine.

Future ambitions

Precor will continue to invest in research and development of new products. 2017 will see the UK launch of the new EFX,

Part of the
€2.5bn
Amer Sports
Corporation

the latest Elliptical Crosstrainer from the company that first introduced the category to the world in 1995. Networked fitness will continue to be a growing part of the Precor business and will be further developed with the imminent release of the P62 console across Precor's CV range. Precor's Preva operating system has the capabilities to offer a customisable user interface called MyUI™. In the future, operators will be able to benefit from this feature by integrating their own brand messaging throughout the user interface.

PureGym

Case study



PureGym is the UK's largest gym operator providing low-cost and high-quality fitness facilities for around 800,000 members across more than 160 sites. A focus on member needs and a technology-enabled operating model underpin the company's differentiated customer offer. Members sign up online and pay on average under £20 a month with no contract commitment, and the majority of gyms are open 24 hours a day, seven days a week, 365 days a year. The company has invested to deliver a better user experience, offering 50–80 free personal trainer-led classes every week, high-quality equipment and extensive free weights areas.

Originally founded in Leeds in 2009 by Peter Roberts, PureGym pioneered the model for affordable, flexible, high-quality fitness clubs in the UK. The company received initial capital in a funding round led by Magenta Partners in 2010 before being acquired by private equity firm CCMP Capital in 2013, which remains the majority shareholder⁵⁵.

In early 2015 the company appointed Humphrey Cobbold as CEO to further boost its growth trajectory. He was formerly CEO of online cycling retailer Wiggle, following a 15-year career at management consultancy firm McKinsey & Company. Later in the year, PureGym acquired 43 LA Fitness sites, extending the availability of

affordable fitness centres to people across Britain, particularly in London and the south-east.

As part of its stated ongoing growth strategy, in 2015 PureGym also rebranded all clubs, launched its first TV advertising campaign and agreed to a three-year partnership with The Great Run Company, a leading provider of mass participation running events in the UK, becoming an official sponsor of events that have over 250,000 participants annually⁵⁶. The same year, Sir Chris Hoy, six-time Olympic champion, invested in PureGym and became a Special Adviser and Brand Ambassador.

In 2016 PureGym launched Pure Ride, a boutique indoor cycling studio in Moorgate⁵⁷, and announced partnerships with AXA PPP Healthcare, O2, TomTom, triSUP and UK Running Events.

In financial results for the 12 months to 31 December 2015, PureGym reported good revenue growth and a 63% increase in membership numbers, strengthening its position as market leader. That strong set of results led to the company being awarded Operator of the Year at the 2015 ukactive Flame Awards. The company's performance in H1 2016 was also impressive, generating revenue of £76.6 million (+ 51% increase, year on year) and a Group Adjusted EBITDA of £16.5 million (+23% increase, year on year)⁵⁸.

800,000
members

9th fastest
growing business

PureGym was also rated as one of the Sunday Times' 100 Best Companies to work for in 2016 and was named as the ninth fastest-growing business by the Sunday Times' Virgin Fast Track 100 in December 2015⁵⁹. The company was also listed in the London Stock Exchange's Top 100 Companies to Inspire Europe 2016, a celebration of some of the fastest-growing and most dynamic small- and medium-sized enterprises in the UK and Europe.

Future ambitions

PureGym operates in a growing market, with low-cost being the fastest-growing segment in the gym sector. PureGym has stated it will continue to execute on its growth strategy while adhering to its founding vision: to combine great value and high-quality sites to further open up access to fitness and activity to the British public.

In September 2016 PureGym announced its intention to float on the London Stock Exchange with admission expected in October 2016. The share offer is expected to raise gross primary proceeds of £190 million⁶⁰. Funds raised are expected to repay existing bank debt in full, with the remainder being used to reduce net leverage and for further growth. Rothschild is acting as advisers to the company on the IPO.

Sport England

Case study



Sport England, formerly known as the English Sports Council, is a non-departmental government body providing funding and services to sport in England. Following the government publishing a new sport strategy, Sporting Future, in 2016, Sport England released its new strategy, Towards an Active Nation, which focuses on how best to direct taxpayer funding into sport across the country. As part of this strategy, Sport England committed funding for seven investment programmes, including capital investment in facilities⁶¹.

Sport England recognises that facilities are a fundamental part of community sport infrastructure and that local authorities are currently facing a great amount of financial pressure to reduce costs while providing a range of good quality public services. Since 2011, Sport England has invested in refurbishing facilities using local consumer insight in order to increase participation in activity programmes in the places where the majority of activity occurs. In addition, as part of its legacy programme for London 2012, the company spent over £112 million in over 2,000 facilities through its Inspired Facilities programme⁶².

Sport England capital investment strategy focuses on four key investment areas: improving and protecting playing fields, sustaining the core market, rejuvenating facilities where high impact on activity levels is projected, and encouraging

inward investment into local and regional infrastructure. From 2012–16 Sport England invested £258 million in 2,867 projects, with multiple local authority facilities achieving a 30% reduction in capital build cost and a 40% improvement in efficiency averaging around £750,000. The combined throughput in the first full year of operation for completed capital projects was 19.5 million visits.

In 2013, Sport England set aside £30 million of Lottery Funding for its Strategic Facilities Fund (2013–17) which supports collaborative and cross-sector projects that aim to grow and maintain community sport participation. To ensure sustainability beyond the fund closing in 2017, they encourage candidates and associates to inject further capital⁶³.

Alongside its investment, Sport England offers support services, such as strategic analysis, capital build and cost-effective solutions, procurement, benchmarking, community asset transfer, frameworks and catalogues, and contract guidance on delivering increased participation and impacting on wider local outcomes. This ensures facilities meet the needs of consumers and that communities have access to high-quality sports facilities while providing steady revenue.

Sport England also fosters innovation by managing its portfolio on the principle that 80% of investments should deliver all

£258m
invested in
2,867 projects

outcomes, with 20% channelled into testing and developing new concepts⁶⁴.

Future ambitions

Sport England plans to continue to collaborate with the industry to provide high-quality sports facilities across England and to develop a Community Asset Fund providing facilities the chance to apply for up to £150,000 of funding.

Over the next four years, Sport England also plans to invest £18 million annually in football facilities as part of the Parklife project, which aims to develop football hubs in over 20 cities across the nation.

Technogym

Case study



2000
employees in
14 branches globally

Founded in 1983, Technogym is a world-leading international supplier of technology and design-driven products and services in the wellness and fitness industry. Technogym provides a complete range of cardio, strength and functional equipment alongside a digital, cloud-based platform allowing consumers to connect with their personal wellness experience anywhere, both on the equipment and via mobile when outdoors. With over 2,000 employees and 14 branches globally, Technogym is present in over 100 countries. More than 65,000 wellness centres and 200,000 private homes in the world are equipped with Technogym. Technogym was the official supplier for six editions of the Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012 and Rio 2016.

In May 2016 the company floated on the Italian Stock Exchange at €3.25 per share, giving the company a value of €650 million. Goldman Sachs, JP Morgan, and Mediobanca were all appointed as advisers on the offering. The decision supports the company's strategy to continue its international growth, taking advantage of the rise of consumer interest in health and wellbeing. As of September 2016, shares were being offered at €4.30 per share, a 32% increase. The 57.5 million shares offered to investors account for 28.75% of the total capital of the company. The shares were sold by Arle Capital Partners, who owned a

40% stake in the company. The company's founder Nerio Alessandri holds the remaining 60%.

More recently, in June 2016, the company announced a partnership with the National Strength and Conditioning Association (NSCA). The NSCA, an international body for strength and conditioning research and education based in Colorado, will be working with Technogym to create educational content for professionals and Technogym's customers⁶⁵. This type of partnership is a first for the fitness industry.

Future ambitions

Technogym aims to be the world's leading wellness solution provider and wellness partner, providing "wellness on the go" to consumers worldwide.

The company's new partnership in April 2016 with Exerp, a Denmark-based, global, digital expert in fitness club member management software, shows its commitment to using (digital) innovation to strengthen its increasing profitability and market presence⁶⁶. Previous examples include Technogym's creative concept MyRun, a running solution that provides personalised programmes and feedback on running technique, and Group Cycle, a training programme that enables users to record and compare their performance against other users⁶⁷.

The Gym Group

Case study



424,000
gym members

Since establishing its first site in 2008, The Gym Group's (The Gym) portfolio has grown to 80 gyms (as of 24 August 2016) with over 424,000 members⁶⁸ (as of 30 June 2016). In November 2015, The Gym became the first gym in over a decade to float on the London Stock Exchange (LSE). The Group Gym successfully completed its initial public offering (IPO) with a valuation of around £250 million (a 17x multiple on the 2014 EBITDA), and the company received £90 million of gross proceeds from the offer⁶⁹. The IPO opens access to equity capital, enabling the company to continue its growth strategy. The Gym is currently the only listed gym company on the LSE.

The Gym offers affordable, 24-hour access to high-quality fitness facilities without tying members into a long-term contract. The Gym is part of a growing budget gym sector which, over the past decade, has challenged mid-market operators, forcing established brands to re-evaluate their offering in order to survive in a highly competitive market.

One year after opening its first gym in Hounslow in 2008, Founder John Treharne, with the backing of Bridges Ventures LLP, tested the scalability of the low-cost, 24-

hour concept and acquired four additional sites. All gyms were located in densely populated areas with strong transportation links. These clubs were financially successful, providing the confidence needed to push forward with the opening of a further 30 gyms across the UK over the next four years⁷⁰.

Phoenix Equity Partners, a mid-market private equity firm, acquired a majority share of The Gym in June 2013 and has guided the business's substantial growth ever since. By the end of 2015, The Gym had increased its revenue by 31.9% to £60 million (up from £45.5 million in 2014) and had opened 19 more gyms⁷¹. Today The Gym operates 80 gyms across the UK in a variety of settings from retail parks to residential developments, and, moving forward into the mid-term, ambitions are to open 15–20 new gyms per year.

Since its IPO in November 2015 The Gym's value has increased to more than £260 million, sustaining its strong trading momentum and outperforming the FTSE All-Share Index with shares increasing more than 20%⁷². The company's trading update released for the half year, ending 30 June 2016, reported a membership base of

424,000, up 19.4% on the previous year's half-year update⁷³.

The company has benefitted from a number of high-profile partnerships, including collaborating with Sport England on their successful "This Girl Can" campaign by offering free access to 42 sites for a weekend in early October 2015⁷⁴. The campaign was repeated in 2016, with all gym's participating and offering free access to more than 10,000 women across the UK.

Future ambitions

The Gym is still a relatively young company, just under 10 years old, and will have many opportunities to continue its growth in the coming years, enhancing customer's wellbeing whilst generating value for shareholders.

The Gym released its full, first-half results at the end of August 2016, reporting a rise in revenue to £36.1 million in the six months to the end of June 2016. This represents a 25.1% increase from the same period last in the previous year (H1 2015: £8.5 million)⁷⁵.

Water Babies

Case study



47,000
customers of
swimming lessons
a week

Opportunities for investment in the physical activity sector are not simply limited to the major operators of facilities or the global suppliers of fitness equipment. Exciting opportunities exist in companies that literally work from cradle to the prevention of early entrance to the grave.

One such example is Water Babies, a leading UK franchisor providing high-quality infant and toddler swimming lessons since 2002. Since then the company has become the world's largest infant swimming business, operating franchises providing swimming lessons in the UK, Ireland, New Zealand, Canada and the Netherlands to over 47,000 customers a week through around 350 teachers⁷⁶. It is part of The Bubble Group, comprising of Water Babies UK, Water Babies International, WaterBumps and the Doodle Training Academy. The Doodle Training Academy, the group's training arm, provides high-quality training for swim teachers and awards them with a nationally recognised diploma; WaterBumps provides swimming lessons tailored for the pre- and post-natal market.

The company has won multiple awards, including the British Franchise Association

"HSBC Franchisor of the Year" 2016 award – defeating global leading fast-food chain McDonald's. Research conducted in 2014 found that franchising contributes an estimated £15.1 billion to the UK economy, a 10% increase on the previous year's estimate, evidencing the franchise industry's continued strong growth and wealth generation⁷⁷.

In July 2016 the company's Directors Steve Franks and Paul Thompson signed a £2 million contact with Shenzhen L.M. Global Education & Technology to expand the brand's reach east into the Chinese Market. Shenzhen, the Master Franchisors for China, opened its first franchise to the public in Xi'an, the capital of Shaanxi Province in central China. China's recent relaxation of the one-child policy and the cultural importance it places on child development in the country have provided Water Babies with a fantastic opportunity to help shape the health and fitness sector in the world's most populated country, while showing the UK is a global leader in a growing and crucial market.

Water Babies' partnerships include the ASA, the National Governing Body for Swimming and the Institute of Swimming

(IoS), which since 2011 have collaborated with Water Babies to promote the safe delivery of infant and toddler swim lessons. In October 2015 the ASA, Water Babies and Splash About International Ltd launched new national guidelines, published by the British Standards Institution, to keep babies safe in swimming pools⁷⁸. This represented a significant milestone in ensuring best practice across the sector. Water Babies has also partnered with the University of Manchester to conduct research examining the physical and psychological impact of swimming lessons on families, infants and parents.

Future ambitions

Shenzhen plans to open more centres in Xi'an, while other groups have been registering their interest in expanding the brand's reach across China. The company also has plans to expand in Europe, looking to build Water Babies-owned premises and providing ownership of the design, build and fit-out of sites.

Xercise4Less

Case study



Founded in 2006 by former rugby player Jon Wright, Xercise4Less is one of the UK's leading low-cost gym operators. Headquartered in Leeds, the business is now expanding its reach across the UK, operating 55 gyms⁷⁹ across the north of England, the Midlands, Scotland, Wales and the South West. In 2015 the business opened its first gym inside the M25 in Hounslow, with additional sites planned in London and the South East. Xercise4Less is expected to continue its momentous growth by opening an additional 15 to 20 gyms in the UK in 2016 and 2017.

Alongside access to a gym from as little as £9.99 a month, the business offers members over 200 free classes each month, including Les Mills Body Pump, spinning, yoga, Zumba and circuit training, and a separate women-only area. To promote physical activity from a young age and develop physical literacy in children, Xercise4kids, a sub-brand of Xercise4Less, provides free membership for 3–5-year-olds when accompanied by a parent or guardian.

The business has continued to grow from strength to strength over the past few years, generating sales of £21.9 million in

the year leading up to July 2015, up from £12 million the previous year and representing a three-year annual sales growth of 99%. It also featured at number 17 in the Sunday Times' Fast Track 100, a league table that ranks private British businesses based on sales over the previous three years⁸⁰.

The company's growth strategy has been supported by the Business Growth Fund (BGF), an independent company supporting the growth of British businesses through providing long-term growth capital. In August 2013 BGF invested an initial £5 million in Xercise4Less, alongside a further £2 million capital investment in May 2014 and a further £7.6 million to date – taking BGF's total investment to £19.7 million⁸¹. Such a sizeable investment reflects the increasing investor interest in the budget gym sector as the UK private fitness market continues to grow year on year⁸². BGF holds a minority stake in the company, with investor Richard Taylor sitting on Xercise4Less's Board. Funding from the BGF is expected to enable the business to push forward with its ambitious five-year expansion plan to open around 50 new gyms across the UK.

£21.9m
generated in
sales in 2015

Future ambitions

Xercise4Less believes that profitable, sustainable, organic growth occurs most often when customers and employees enjoy their business relationship with a company and willingly sing its praises to friends, neighbours and colleagues. As a result, the company has invested a great amount of time, energy and money into reminding themselves and employees of the values that brought it success at the start of 2016 and into maintaining the standards that have brought it success so far.

Xercise4Less plans to operate 100 sites by 2017, creating an expected 4,000 new jobs⁸³. This will strengthen the business's position as a major player in the low-cost gym sector and enable it to continue to successfully disrupt the market.

Fostering innovation: ActiveLab by ukactive

ukactive wants to improve the health of the nation by fostering an innovation climate in the health and physical activity sector.



UK businesses are creating new products and services to help more people be more active, more often and to improve customer experience in the physical activity sector. ukactive is in the privileged position of gaining early sight of many of them. It is able to match these opportunities with rapid distribution, enabling concepts to scale at pace. ukactive is also able to draw on 26 years of history, including access to many of the entrepreneurs and drivers of the sector's growth to date. These entrepreneurs remain committed to supporting the ukactive mission, developing innovation in the sector and driving future commercial opportunities.

As a result, ukactive brings these assets together from October 2016 through its ActiveLab Service, an innovation programme to support the next wave of exciting products, technology and services to develop, grow and reach their intended audiences.

ActiveLab, powered by ukactive, is the global launch pad of innovation in the business of physical activity.

ActiveLab will raise the profile of innovation in the sector by connecting the best of new products, technology and services with our members, partners and stakeholders. It will provide an ecosystem of expertise and bespoke support, with ukactive members and private and public sector partners coming together to deliver an acceleration programme for ActiveLab companies and ongoing support for ActiveLab alumni.

The first cohort of ActiveLab entrants will enlist in October 2016 and will work with ukactive, a range of mentors and leading companies from across the sector to develop products or services that support the national effort to improve the health of the nation. They will also have access to a wide range of successful entrepreneurs who helped build the health and fitness sector to where it is today. The first wave of companies selected will seek to solve "Generation Inactive" by helping children and families become more active. They will seek to "turn the tide of physical inactivity" by motivating the least active in society to get moving; help realise the "latent value of leisure" by creating solutions that help to reimagine existing assets and facilities in a way that helps them to be more operationally efficient or reach new audiences; or they will support the "digital transformation" of the sector by bringing forward businesses that enhance the customer experience in the physical activity sector.

The programme will culminate in the first ActiveLab innovation event in March 2017 which will bring together our members with high-profile speakers and influencers from the physical activity and innovation sectors and partners. ActiveLab companies will also have the opportunity to showcase their products and services at the event and take part in a series of live pitches. ActiveLab will create a permanent network of high-potential ventures, industry advisers and interested investors and foster a global hotbed of innovation in the physical sector.

Looking forward



This year has been incredibly positive for the physical activity sector. Now firmly established as a priority sector for UK Plc, it is being positively impacted by consumer trends which indicate a growing desire for leisure activities such as visiting the gym and participating in sporting activities. Sporting participation has risen since 2014, with Sport England's Active People Survey 10 revealing that in the last year 15.83 million people over the age of 16 played sport, with 1.75 million people more active than when London secured the right to host the 2012 Olympic Games⁸⁴. Great Britain's Olympic and Paralympic successes at the 2016 Rio Games are also likely to have a positive effect on the role that sport and physical activity play in the culture of the UK. Our collective job is to translate this fantastic operating environment into a significant growth in the number of people participating in sport and physical activity. There has never been such clear evidence of the impact of physical activity on health. There has never been such harmony between the cheerleaders spreading that message far and wide.

Developments in technology, social media platforms such as Facebook, Twitter and Instagram, virtual reality programmes and wearable fitness trackers have revolutionised how physical activity is presented, planned, delivered and reviewed. Similarly, gym users now have access to personalised programmes and specialised

equipment, fitness apps allow users to track their steps and monitor their heart rate at little or no cost, and virtual reality enables individuals to fully and imaginatively immerse themselves in their training.

Despite these positive changes, the future of the sector is not assured. The UK's decision to leave the European Union in June 2016 has created uncertainty. The impact of this momentous decision on the sector will become clearer as the government specifies what it hopes to achieve in its trade and commercial relationships with the EU and countries beyond our continent. In the short term, ambitious projects may be put on hold as businesses learn to navigate the new economic landscape. Economic downturn resulting from market uncertainty has the potential to have a negative impact on the sector's growth and funding opportunities, but for little concrete reason. The fundamentals of the UK health and fitness sector remain strong – there has never been a greater need for its services and we have never enjoyed such a fertile consumer landscape. The UK government is adamant that the UK is still very much “open for business”⁸⁵. It remains committed to helping the sector expand overseas and take its place at the vanguard of the march of great British businesses into emerging markets. Only time will reveal Brexit's true impact, but rising share prices and the possibility of further IPOs and mergers and acquisitions indicate that the physical activity sector is far from dormant.

Glossary



Boutique fitness studios

These are small, independent fitness studios that specialise in offering a particular fitness experience such as spinning, yoga, Pilates or dance.

Chief Medical Officer's physical activity guidelines

The Chief Medical Officer recommends 75 minutes of vigorous physical activity, 150 minutes of moderate activity or a combination of both per week. All children and young people aged 5–18 should engage in moderate to vigorous physical activity for at least 60 minutes and up to several hours every day⁸⁶.

Council operator

A leisure facility operated directly by the local authority.

Franchise

A licence granted by the government or a business that allows the licensee to have access to the business's commercial knowledge, processes, branding and trademarks to enable the party to provide services or products under the business's name.

Initial Public Offering (IPO)

An IPO is the first sale of stocks or shares (privately owned equity) in a company to the public and other investing institutions. It is often referred to as “going public” or “taking a company public”.

Low-cost or budget operator

A low-cost operator is characterised by flexible or cheap membership prices or a combination of the two. This is usually a result of a lower operating cost structure.

Leisure management contractor

A leisure management contractor manages and runs sites on behalf of a local authority.

Merger

An agreement to unify two existing organisations into a single new company. Mergers and acquisitions are frequently done to increase a company's market share or reach or to allow the business to successfully develop into new areas of the market.

Private operator

A commercially owned health and fitness site that is available to the public on an annual, monthly or “pay-as-you-go” membership basis.

Social enterprise

A social enterprise is an organisation that delivers services and products or both to the market while having particular social objectives that serve as its primary purpose.

Social Impact Bond (SIB)

A SIB is a contract made with the public sector or a governing authority to deliver services which produce positive social outcomes in specified areas. Where savings are achieved in line with the specified social outcomes, part of these will be passed on to investors. Investors in SIBs are typically interested in the social impact of their investment rather than simply focusing on the financial return on their investment.

Trust operator

A health and fitness facility that is managed and operated by an external organisation on behalf of the local authority.

Methodology



Financial valuation

In 2015 Mazars LLP (Mazars), in partnership with ukactive, set out to produce a financial valuation of the UK health and fitness sector (the sector).

Mazars, in conjunction with ukactive, completed extensive market research into the sector to determine an appropriate valuation methodology. A number of accepted valuation approaches were considered, and due to likely data constraints it was determined that a market-based methodology was most appropriate.

A questionnaire was created based on the conclusions of the research. This questionnaire was tailored to the sector and specifically structured to enable data extraction appropriate for and relevant to the valuation calculation. This survey was then distributed by ukactive and completed by members of the sector.

The results from this questionnaire were analysed alongside publicly available data from listed companies operating in the sector and validated for accuracy. The revenue data provided was then extrapolated across the industry, incorporating ukactive's knowledge of the sector and the input of a broad range of industry specialists. From the calculations, Mazars was able to formulate a total revenue metric of £4.96 billion applicable to the sector, with revenue being the only financial metric consistently provided from each source.

Mazars then used publically available information – including information from databases Mazars has access to – to obtain a revenue multiple derived from recent acquisitions and listed companies in the sector. From this analysis, Mazars concluded that a revenue valuation multiple of 1.3x was applicable to value the sector. Using this revenue valuation multiple and the revenue metrics, Mazars was able to give an estimate of the aggregated enterprise value of the sector.

The total valuation figure calculated by Mazars for the sector in 2015 was £6.4 billion.

Estimated 2016 financial value forecast

In 2016, Mazars provided a set of valuation parameters which could be used by ukactive to estimate a 2016 valuation figure on a comparable basis to 2015.

To derive an estimate for the valuation of the sector, a 2016 revenue valuation multiple was applied to the previously calculated 2015 financial metric. As in 2015, the 2016 revenue valuation multiple was derived from recent acquisitions and listed companies in the sector. The revenue valuation multiple increased from 1.3x to 1.5x from 2015 to 2016, suggesting an increase in optimism by investors in the sector. It should be noted that this increase was partially caused by the inclusion of newly listed companies within the dataset, such as The Gym Group. Under these assumptions, an estimated value of the sector could be calculated at £7.5 billion.

As previously discussed, the results of the EU referendum on 23 June 2016 have caused significant economic and market uncertainty. No specific adjustments were made to Mazars' valuation parameters following the Brexit vote, as it is still unclear what impact the vote will have on the valuation parameters of companies generally and in the sector. The market multiples used in this valuation parameters analysis are current as at the date of this report (i.e. post the referendum vote).

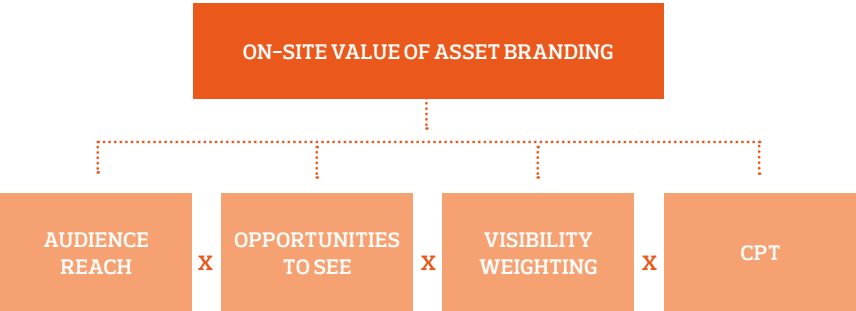
The sector valuation performed by The Leisure Database Company has been considered. Its valuation is based on the estimated annual revenue of the constituents of the sector. Mazars has used a similar approach to estimating revenue from a sample of private and public sector

fitness organisations, however Mazars has also applied a valuation multiple to this estimated revenue in order to more accurately reflect the market's view on the value of this revenue.

Sponsorship valuation

This was conducted by sponsorship valuation experts Nielsen Sports with analysis that concentrates on the sponsorship value that can be derived from ukactive members' available assets that have the potential to be branded.

Data received from the questionnaire was inputted into Nielsen Sports' proprietary valuation model, which incorporates the assets' exposure and visibility. This formed the basis of the calculation of each asset's value, combined with additional metrics:



Audience Reach refers to the number of people that were exposed to the asset (e.g. number of facilities, footfall, emails sent, Facebook likes) and generally constitutes the key driver. The second element is the number of opportunities to see each asset (per 30 minutes) during a visit to the facility, website, etc. Visibility Weighting of the asset is a percentage based on its prominence and size. This calculation of the asset's value is completed by applying industry-wide accepted advertising costs (CPT) that are specific to the type of asset being valued.

The valuation also identifies sponsorship and marketing expenditures in 2015. This includes advertising in media such as TV, print, online and PR activities. Together with all asset values, the total value per ukactive member was calculated. Subsequently, the sample data was used to estimate the value of each sub-sector, extrapolating the market using i) the number of consumers and ii) facilities data provided by ukactive.

The value of the brand sponsorship potential calculated by Nielsen Sports in 2015 was £152.6 million.

Estimated 2016 sponsorship value forecast

Nielsen Sports supported ukactive in creating an estimated 2016 forecast for sponsorship value using increased annual growth rates for the private and public sector from The Leisure Database Company's 2016 State of the UK Fitness Industry Report. These annual changes were used to project the 2015 valuation to an estimated 2016 figure of £157.5 million.

End notes

<p>1 The Leisure Database Company, State of the UK Fitness Industry Report 2016, 26 May 2016</p> <p>2 The Financial Times, "PureGym aims to raise £190m in London Stock Exchange float", 14 September 2016, https://www.ft.com/content/f8a4caf0-7a44-11e6-ae24-f193b105145e</p> <p>3 The Leisure Database Company, State of the UK Fitness Industry Report 2016, 26 May 2016</p> <p>4 Europe Active & Deloitte, European Health and Fitness Market Report 2016, April 2016</p> <p>5 Deloitte, Passion for Leisure, A view of the UK leisure consumer, July 2016, http://www2.deloitte.com/uk/en/pages/consumer-industrial-products/articles/passion-for-leisure.html</p> <p>6 The Leisure Database Company, State of the UK Fitness Industry Report 2016, 26 May 2016</p> <p>7 Ray Algar, 2015 UK Boutique Fitness Studio Report, May 2015</p> <p>8 All-Party Commission on Physical Activity, Tackling Physical Inactivity – A Coordination Approach, 2014, http://www.cedar.iph.cam.ac.uk/wp-content/uploads/2014/04/PA_commission_report.pdf</p> <p>9 Academy of Medical Royal Colleges, Exercise: The miracle cure and the role of the doctor in promoting it, February 2015, http://www.aomrc.org.uk/wp-content/uploads/2016/05/Exercise_the_Miracle_Cure_0215.pdf</p> <p>10 Richard Cracknell, "The ageing population", Key Issues for the New Parliament 2010, <i>Key Issues for the New Parliament 2010</i>, House of Commons Library Research, 2007, http://www.parliament.uk/business/publications/research/key-issues-for-the-new-parliament/value-for-money-in-public-services/the-ageing-population/</p> <p>11 House of Commons Library Research, 2007, http://www.parliament.uk/business/publications/research/key-issues-for-the-new-parliament/value-for-money-in-public-services/the-ageing-population/Direct health care costs comprise preventive, diagnostic and treatment services related to inactivity (for example, GP visits and hospital and nursing home care). Indirect costs include the value of wages lost by people unable to work because of illness or disability, as well as the value of future earnings lost by premature death</p> <p>12 Sport England, Start Active, Stay Active: A report on physical activity for health from the four home countries' Chief Medical Officers, July 2011, https://www.sportengland.org/media/2928/dh_128210.pdf</p> <p>13 Department for Culture Media & Sport, Sporting Future: A New Strategy for an Active Nation, December 2015, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486622/Sporting_Future_ACCESSIBLE.pdf</p> <p>14 Office for National Statistics (ONS), <i>Sickness Absence in the Labour Market</i>, London: ONS; 2014, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/sicknessabsenceinthelabourmarket</p>	<p>15 The "quantified self" refers to individuals utilising technology to measure and track their everyday activities to improve their quality of life</p> <p>16 The Financial Times, "Pokémon Go crosses \$250m in revenues since launch", 12 August 2016, https://www.ft.com/content/2dd63522-5fd1-11e6-ae3f-77baadeb1c93</p> <p>17 The Telegraph, "Personal trainers on the NHS in war on diabetes", 22 March 2016, http://www.telegraph.co.uk/news/health/12200443/Personal-trainers-on-the-NHS-in-war-on-diabetes.html</p> <p>18 Euronext Website, https://www.euronext.com/en/ipo-detail/661910/NL0011872650-XAMS/Basic-Fit, [accessed on 22 September 2016]</p> <p>19 Planet Fitness, Inc., Planet Fitness Announces Second Quarter 2016 Results, 11 August 2016, http://s2.q4cdn.com/945805771/files/doc_news/PLNT-2Q16-Earnings-Release.pdf</p> <p>20 CNBC Website, "Fitbit soars 20% on second trading day", 22 June 2015, http://www.cnbc.com/2015/06/22/fitbit-stock-opens-up-more-than-10.html</p> <p>21 Health Club Management, "Virgin opens Siam Discovery club in Thailand", 22 August 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=326387</p> <p>22 IHRSA, 2015 IHRSA Asia-Pacific Health Club Report, February 2015, http://www.ihrsa.org/asia-pacific-report</p> <p>23 Europe Active & Deloitte, European Health and Fitness Market Report 2016, April 2016</p> <p>24 Source: Morgan Stanley, Health and Fitness Market Update, Key Recent Developments and Press Reports, The Financial Times and Health Club Management</p> <p>25 ukactive, Physical Activity and Primary Care Overlaps and Opportunities, 2015, http://www.ukactive.com/downloads/managed/Physical_Activity_and_Primary_Care_Overlaps_and_Opportunities.pdf</p> <p>26 Sport England, Economic value of sport in England, July 2013, https://www.sportengland.org/media/3465/economic-value-of-sport.pdf</p> <p>27 The Independent, "David Lloyd Leisure fitness clubs sold for healthy £750m", 5 September 2013, http://www.independent.co.uk/news/business/news/david-lloyd-leisure-fitness-clubs-sold-for-healthy-750m-8801039.html</p> <p>28 The Financial Times, "TDR Capital snaps up UK's David Lloyd Leisure", 5 September 2013, https://www.ft.com/content/bf11b102-1617-11e3-856f-00144feabd0</p> <p>29 David Lloyd Leisure Limited, Annual Report and Financial Statements for the period from 1 November 2013 to 3 January 2015, 15 September 2015, https://beta.companieshouse.gov.uk/company/01516226</p> <p>30 David Lloyd Leisure website, "About us", [n.d], https://www.davidlloyd.co.uk/about-us</p>	<p>31 Europe Real Estate, "M&G Investments acquires £350m David Lloyd portfolio (UK)", 8 January 2016, http://europe-re.com/mg-investments-acquires-350m-david-lloyd-portfolio-uk/61633</p> <p>32 Health Club Management, "David Lloyd Leisure relaunches brand with national campaign", 22 August 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=326381</p> <p>33 Health Club Management, "David Lloyd Clubs and Elemis strike beauty deal", 19 August 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=326359</p> <p>34 Health Club Management, "David Lloyd lands exclusive partnership with Spartan Race", 14 July 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=325520</p> <p>35 énergie Group, Corporation Limited Report and Financial Statement for the year ended September 2015, 2015</p> <p>36 Crowdfund Insider, "énergie Closes Crowdcube Initiative; Captures Nearly £630,000 in Total", 15 June 2016, http://www.crowdfundinsider.com/2016/06/86897-energie-closes-crowdcube-initiative-captures-nearly-630000-in-total/</p> <p>37 Health Club Management, "énergie crowdfunding round closes at £630,000", 16 June 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=324878</p> <p>38 énergie Group, Fit for Investment, 2016</p> <p>39 énergie Group, Fit for Investment, 2016</p> <p>40 This excludes donation disclosures from acquisitions</p> <p>41 Greenwich Leisure Limited, Report of the Committee of Management and Summary Financial Statements for Year ended 31 December 2015, https://www.ethex.org.uk/medialibrary/2016/01/18/edb6cba6/2014%20-%20GLL%20FS.pdf</p> <p>42 Sport England, Active People Survey 9 "Once a week participation in sport" fact sheet, https://www.sportengland.org/media/3783/1x30_overall_factsheet_aps9v2.pdf</p> <p>43 Health Club Management, "GLL's magnificent seven part of Team GB's medal", 25 August 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=326477</p> <p>44 Health Club Management, "GLL completes merger with North Country Leisure", 5 August 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=326015</p> <p>45 Nuffield Health, Nuffield Health Annual Report 2015, https://www.nuffieldhealth.com/about-us/reports/annual-2015/reports</p>	<p>46 Health Club Management, "Exclusive: Nuffield Health acquires 35 Virgin Active sites", 14 June 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=324798</p> <p>47 Nuffield Health, Nuffield Health Annual Report 2015, https://www.nuffieldhealth.com/about-us/reports/annual-2015/reports</p> <p>48 Health Club Management August 2016, Issue No. 238, http://www.healthclubmanagement.co.uk/pdf/HCM_Aug_2016.pdf</p> <p>49 International Association of Trampoline Parks Website, http://www.indoortrampolinedparks.org/</p> <p>50 Health Club Management, "Five-site expansion for Oxygen", Issue No. 232, February 2016, http://www.healthclubmanagement.co.uk/pdf/HCM_Feb_2016.pdf</p> <p>51 Beechbrook Capital, "Beechbrook Capital Provides Growth Capital to Oxygen Freejumping", 15 February 2016, http://www.beechbrookcapital.com/news/title/provides-growth-capital-to-oxygen, [accessed on 24 August 2016]</p> <p>52 Places for People, Places for People Annual Report 2016, http://www.placesforpeople.co.uk/media/586053/annual_report_web_version.pdf</p> <p>53 Places for People Annual, Places for People Annual Report 2016, http://www.placesforpeople.co.uk/media/586053/annual_report_web_version.pdf</p> <p>54 Places for People Website, "Social Enterprise", [n.d], http://www.placesforpeopleleisure.org/social-enterprise, [Accessed on 23 August 2016]</p> <p>55 CCMP Capital, Portfolio, PureGym, http://www.ccmpcapital.com/portfolio_detail/id/473, [accessed 24 August 2016]</p> <p>56 Sport Industry Group, "Great Run Series seeks new title sponsor", 12 November 2015, https://www.sportindustry.biz/news/great-run-series-seeks-new-title-sponsor, [accessed 24 August 2016]</p> <p>57 Health Club Management, "PureGym teams with Chris Hoy to launch boutique cycle studio", 21 January 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=320985</p> <p>58 Real Business, "Chris Hoy-backed PureGym to gain financial mass with IPO", 14 September 2016, https://realbusiness.co.uk/article/34448-chris-hoy-backed-pure-gym-to-gain-financial-mass-with-ipo</p> <p>59 The Sunday Times Fast Track 100 League Table 2015, http://www.fasttrack.co.uk/league-tables/fast-track-100/league-table/, [accessed on 24 August 2016]</p> <p>60 The Financial Times, "PureGym Group to beef itself up with IPO", 14 September 2016, https://www.ft.com/content/dca3495e-01c0-3089-9f15-72bf879b9888</p> <p>61 Sport England, Towards An Active Nation, Strategy 2016–2021, 19 May 2016, https://www.sportengland.org/media/10629/sport-england-towards-an-active-nation.pdf</p>	<p>62 Sport England, Towards An Active Nation, Strategy 2016–2021, 19 May 2016, https://www.sportengland.org/media/10629/sport-england-towards-an-active-nation.pdf</p> <p>63 Sport England, Sport England's Strategic Facilities Fund prospectus 2013–2017, [n.d], https://www.sportengland.org/media/3686/strategic-facilities-prospectus.pdf</p> <p>64 Sport England, Towards An Active Nation, Strategy 2016–2021, 19 May 2016, https://www.sportengland.org/media/10629/sport-england-towards-an-active-nation.pdf</p> <p>65 Spa Business Digital Magazine, "Technogym joins forces with National Strength and Conditioning Association", 16 June 2016, http://www.spabusiness.com/detail.cfm?pagetype=detail&subject-news&codeID=324877</p> <p>66 Health Club Management, "Technogym acquires majority stake in software specialist Exerp", 6 April 2016, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=323110</p> <p>67 Technogym, Technogym Annual Report 2015, http://corporate.technogym.com/sites/technogym2016cor/files/annual_report_2015.pdf</p> <p>68 Interactive Investor Website, "Gym Group maintains momentum", 5 July 2016, http://www.iii.co.uk/stockmarketwire/336648/gym-group-maintains-momentum?context=LSE:GYM</p> <p>69 London Stock Exchange Website, "The Gym Group plc – GYM Pricing of Initial Public Offering", 9 November 2015, http://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/GYM/12572808.html</p> <p>70 London Stock Exchange Website, "The Gym Group plc – GYM Pricing of Initial Public Offering", 9 November 2015, http://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/GYM/12572808.html</p> <p>71 The Gym Group Plc, Annual Report and Accounts 2015, 30 June 2016, https://beta.companieshouse.gov.uk/company/08528493</p> <p>72 The Financial Times, "UK no-frills fitness chain PureGym pumps up sales", 15 April 2016, https://next.ft.com/content/55f66de5-7f2f-368f-947a-19cc2c132beb</p> <p>73 The London Stock Exchange, The Gym Group plc – GYM Trading Statement, 5 July 2016, http://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/GYM/12879953.html</p> <p>74 The Gym Group Website, "The Gym Group partners with This Girl Can for a free 'Friends Weekend' 3–4 October 2015", [n.d], https://www.thegymgroup.com/blog/the-gym-group-partners-with-this-girl-can-for-a-free-friends-weekend-3-4-october-2015-7096/, [accessed on 23 August 2016]</p>	<p>75 The Financial Times, "The Gym Group declares first profit and divi", 31 August 2016, https://www.ft.com/content/9f5354a7-6701-3ab4-bdcd-5067c4f3bd99</p> <p>76 Water Babies website, "About us, The extraordinary story of an extraordinary business", [n.d], https://www.waterbabies.co.uk/about-us, [accessed on 23 August 2016]</p> <p>77 British Franchise Association, "Franchise Industry Research: bfa/ NatWest Franchise Survey", [n.d], http://www.thebfa.org/about-franchising/franchising-industry-research, [accessed on 23 August 2016]</p> <p>78 British Swimming and The ASA, "New baby swimming guidelines launched", 13 October 2015, http://www.swimming.org/asa/news/general-news/new-baby-swimming-guidelines-launched/25257, [accessed on 23 August 2016]</p> <p>79 Xercise4Less website, "Find a gym", https://www.xercise4less.co.uk/find-a-gym/, [accessed on 31 August 2016]</p> <p>80 The Sunday Times Fast Track 100, Fast Track 100 league table 2015, http://www.fasttrack.co.uk/league-tables/fast-track-100/league-table/, [accessed on 31 August 2016]</p> <p>81 Big Growth Fund website, "News & Insights", August 2013, http://newsandinsights.businessgrowthfund.co.uk/low-cost-gym-chain-pumps-up-plans-for-national-rollout-with-bgf-investment/</p> <p>82 The Leisure Database Company, The State of Industry Report 2016, 16 May 2016</p> <p>83 Health Club Management, "Xercise4Less targets 100 gyms by 2017", 12 January 2015, http://www.healthclubmanagement.co.uk/detail.cfm?pagetype=detail&subject-news&codeID=313404</p> <p>84 Sport England, "Stats show upsurge in people doing sport", 9 June 2016, https://www.sportengland.org/news-and-features/news/2016/june/09/active-people-10/</p> <p>85 The Economist website, "Open for business? The takeover of a British microchip-maker belies a cooling climate for foreign investors", 23 July 2016, http://www.economist.com/news/leaders/21702468-takeover-british-microchip-maker-belies-cooling-climate-foreign-investors-open</p> <p>86 Department of Health, Start Active, Stay Active: A report on physical activity from the four home countries' Chief Medical Officers, July 2011, https://www.sportengland.org/media/2928/dh_128210.pdf</p>
--	--	--	--	---	--

ukactive

4th and 5th Floor
26-28 Bedford Row
London
WC1R 4HE

T 020 7400 8600
F 020 7400 8601
E info@ukactive.org.uk
W www.ukactive.com
T @_ukactive