

Registered number: 02589238

UKACTIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



UKACTIVE
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors

Baroness Tanni Grey-Thompson DBE (chair)
Professor Dame Carol Black DBE
Dr. Peter Bonfield
David Courteen (appointed 1 April 2022)
Kathryn Cox (appointed 21 April 2022)
Sandra Dodd (resigned 20 April 2022)
Huw Edwards
Sarah Kendall (resigned 19 January 2022)
Adrian Packer
Philip Rumbelow (resigned 13 May 2021)
Mark Sesnan
John Treharne
Professor Greg Whyte

Company secretary Benjamin Shepherd

Registered number 02589238

Registered office

The Bloomsbury Building
10 Bloomsbury Way
Holborn
London
WC1A 2SL

Independent auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

UKACTIVE
(A Company Limited by Guarantee)

CONTENTS

	Page
Directors' Report	1 - 4
Independent Auditors' Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 24

UKACTIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

ukactive's principal activity is to grow the value of the fitness sector to the benefit of all members. This is achieved by providing services to and facilitating partnerships for a broad range of members and partners. ukactive promotes the benefits of an active lifestyle with the aim of improving the health of the nation by getting more people, more active, more often.

UKACTIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Business review

During the year ukactive undertook a consultation to inform a long-term strategy from 2022 to 2030. The consultation incorporated ukactive staff, Board, sub-Committees, members, partners, and decision makers across government and its agencies. The result is Vision 2030: the opportunity for the sector.

The organisation continued to be adversely impacted by the COVID-19 pandemic during the year, with operating restrictions impacting events, planned work and member services. These areas had already been considered during the budgeting process, so ukactive ended the year with an expected deficit which has been incorporated into a five year Business Plan beginning with 2022/23. This plan ensures that over the five years ukactive will recover from the deficits previously seen to remain financially sustainable, followed by growth so the organisation is able to continue to support members effectively into the future.

During the year, a new five year agreement was confirmed with Sport England to further the collaborative partnership work started in 2019. This agreement is a key part of the recovery phase of the Business Plan, helping to provide a strong foundation for the organisation whilst also linking to Vision 2030. This funding is for Uniting the Movement, which focuses on systems that can create opportunities for all people to take part in physical activity and tackle the inequalities that affect participation.

Business plans and strategy

The 2022/23 Business Plan was approved by the Board in January 2022. It is based on the core ukactive purposes which inform both our strategic vision and day-to-day work:

1. To support, protect and inform our members
2. To represent and champion our members
3. To help our members grow

Having this strong organisational foundation allows ukactive to set out a clear vision for the growth and development of the sector over the rest of the decade: Vision 2030. The ambition is to grow the size, influence and status of our sector, with ukactive helping members to engage more than 20% of the population by 2030.

The long-term financial sustainability of the organisation is a key component of the Business Plan, and therefore a key priority as part of our strategic aims.

Financial results

The loss for the year, after taxation, amounted to £192,240 (2021 - loss £673,712).

For the year ended 31 March 2022, ukactive's revenue was £2,961k (2021: £3,351k) and operating expenditure was £3,153k (2021: £4,128k), generating an operating loss of £192k (2021: £801k loss). These results were impacted by the COVID-19 pandemic.

ukactive's Statement of Financial Position shows net assets of £358k (2021: £551k). The decrease in net assets is due to the loss made during the year. This level of reserves has been incorporated into the longer-term financial projections to ensure that ukactive remains in a position to continue to carry out its strategic priorities going forward particularly in light of the risks identified below. There is no further depletion of reserves in the five year Business Plan, with reserves starting to be replenished from year 3.

The principal financial KPI for the organisation is performance against budget. The net loss before tax result was £66k higher than the budgeted loss of £259k due to the ongoing impact of the COVID-19 pandemic.

UKACTIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Directors

The directors who served during the year were:

Baroness Tanni Grey-Thompson DBE (chair)
Professor Dame Carol Black DBE
Dr. Peter Bonfield
Sandra Dodd (resigned 20 April 2022)
Huw Edwards
Sarah Kendall (resigned 19 January 2022)
Adrian Packer
Philip Rumbelow (resigned 13 May 2021)
Mark Sesnan
John Treharne
Professor Greg Whyte

Baroness Tanni Grey-Thompson DBE, will complete her final term as ukactive Chair on 31st August 2022. Mike Farrer has been confirmed as her replacement and will officially take office on 1st September 2022.

Principal risks and uncertainties

The Board has oversight for risk management with a focus on the key strategic risks facing ukactive. The Finance and General Purpose Committee (F&GP) reviews the risk register on a quarterly basis and this is reported to the Board in line with the agreed Risk Management Framework. F&GP also oversees the policies, processes and risks relating to the financial statements, the financial reporting process, compliance and auditing.

The 2022/23 Business Plan considers these risks and the potential impact that they could have on ukactive.

The main strategic risk facing ukactive relates to the impact that national / global catastrophic events could have on the ability of the physical activity sector to operate, also considering the economic conditions and supply chains impacted by these events. ukactive continues to engage and lobby government on behalf of members to ensure that key sector operational priorities remain on the political agenda.

Given the strategic risk identified above, certainty around key revenue areas also continues to be a business risk. To enable ukactive to support members effectively and efficiently into the future to achieve Vision 2030 and beyond, a membership price increase took effect from April 2022. This was the first membership price increase applied in more than 10 years, and was only applied after internal cost-saving exercises were undertaken. The strategic partnership with Sport England continues to be of great importance to the organisation and this relationship has been further strengthened following the signing of the 5-year partnership agreement to 2027. The funding will allow the organisation to build strong foundations for the earlier years of the Business Plan which will be key for working towards Vision 2030.

Future developments

Engaging with members, ukactive will start to implement Vision 2030. Clear milestones have been developed as part of the strategy, and underpinned by its purpose ukactive has two clear roles:

1. To drive the development of the sector to become more inclusive
2. To lead our relationship with government to deliver systemic reforms to the operating landscape that will aid growth

This work is strengthened by the ukactive organisational values, and will be shaped with ukactive members through reformed governance structures and expanded membership engagement forums.

UKACTIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 July 2022 and signed on its behalf.



Tanni Grey-Thompson DBE
Director

UKACTIVE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UKACTIVE

Opinion

We have audited the financial statements of ukactive (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

UKACTIVE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UKACTIVE (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

UKACTIVE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UKACTIVE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to standard small company regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates; and
- Agreeing the validity of recognised receivables on a sample basis and challenging the recoverability assumptions, further assessing for any fraud or bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

UKACTIVE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UKACTIVE (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

20 July 2022

UKACTIVE
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	2,960,612	3,298,003
Cost of sales		(359,732)	(271,003)
Gross profit		2,600,880	3,027,000
Administrative expenses		(2,793,144)	(3,856,894)
Government grants receivable		-	53,275
Loss on disposal of tangible fixed assets		-	(25,443)
Operating loss		(192,264)	(802,062)
Interest receivable and similar income		24	1,227
Loss before tax		(192,240)	(800,835)
Tax on loss	7	-	127,123
Loss for the financial year		(192,240)	(673,712)

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 12 to 24 form part of these financial statements.

UKACTIVE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02589238

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	8	122,974	171,942
Tangible assets	9	55,292	71,342
		<u>178,266</u>	<u>243,284</u>
Current assets			
Debtors: amounts falling due within one year	10	742,473	1,182,864
Cash at bank and in hand		491,816	1,270,865
		<u>1,234,289</u>	<u>2,453,729</u>
Creditors: amounts falling due within one year	11	(1,054,102)	(2,099,843)
		<u>180,187</u>	<u>353,886</u>
Net current assets		<u>180,187</u>	<u>353,886</u>
Total assets less current liabilities		<u>358,453</u>	<u>597,170</u>
Provisions for liabilities			
Other provisions	12	-	(46,477)
		<u>-</u>	<u>(46,477)</u>
Net assets		<u><u>358,453</u></u>	<u><u>550,693</u></u>
Capital and reserves			
Profit and loss account		358,453	550,693
		<u>358,453</u>	<u>550,693</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2022.

Tanni CDGT

Tanni Grey-Thompson DBE
 Director

The notes on pages 12 to 24 form part of these financial statements.

UKACTIVE
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Profit and loss account £	Total equity £
At 1 April 2020	1,224,405	1,224,405
Loss for the year	(673,712)	(673,712)
At 1 April 2021	550,693	550,693
Loss for the year	(192,240)	(192,240)
At 31 March 2022	358,453	358,453

The notes on pages 12 to 24 form part of these financial statements.

UKACTIVE
(A Company Limited by Guarantee)

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

1. General information

ukactive is a private company incorporated in England and limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. The address of the registered office and company's principle place of business is The Bloomsbury Building, 10 Bloomsbury Way, Holborn, London, WC1A 2SL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

On the basis of their assessment of the financial position and resources, the Directors have concluded that ukactive has sufficient financial resources to meet its liabilities as they fall due. The Directors have reviewed the cash-flow projections which incorporate reasonable sensitivities around the current economic climate. The Directors have concluded that there are no material uncertainties which would impact on the ability to continue trading as a going concern and it is therefore appropriate to adopt the Going Concern basis.

UKACTIVE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Membership and member services

Revenue represents the value of member events and membership services provided to the members during the year. It is ukactive's policy to only supply value services to its membership. Prepaid memberships and other services are pro-rated to the profit and loss account over the period of the membership or other service.

License and product income

License and product income, that is generated from business relationships which constitute ukactive being an agent, are recognised on a net basis in line with FRS 102. The company does not make a profit on license income. License commission and other net income under the license and product sales arrangements are recognised at the point of earning the income, which procedurally is invoiced on that same date being the receipt of the relevant agent monies to be remitted on to the relevant third parties.

UKACTIVE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

UKACTIVE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.7 Intangible assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website and software	-	3	to 5 years
CRM	-	5	years

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

During 2021-22 the company introduced a capitalisation minimum threshold of £500.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	-	8 years
Office equipment	-	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

UKACTIVE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

UKACTIVE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management and the Board to make judgements, estimates and assumptions that effect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

During the year, it has been necessary for the board to review a number of judgments and estimates;

The bad debt provision has been reviewed in light of the current trading situation and updated organisational credit control procedures. The directors are of the view that the estimated bad debt provision of £88k (2021: £169k) is sufficient and the remaining net £505k (2021: £966k) trade debtors as at 31 March 2022 are recoverable.

License and product income treatment – A key judgement has been taken by the directors in relation to the nature of the license and product income streams, namely that this business relationship falls under that of an agent basis under FRS102.

UKACTIVE
(A Company Limited by Guarantee)

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Membership subscriptions	829,046	837,040
Promotions and other income	555,882	273,561
Grant income	1,482,996	2,097,436
License and product income as agent	92,688	89,965
	<u>2,960,612</u>	<u>3,298,002</u>

5. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2021 -).

UKACTIVE
(A Company Limited by Guarantee)

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

6. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	1,779,210	2,461,239
Social security costs	200,130	250,872
Cost of defined contribution scheme	60,585	78,779
	<u>2,039,925</u>	<u>2,790,890</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Membership and Sector Development	19	26
Research, Policy and Communications	10	11
Business Operations	9	11
Executive and Corporate	6	8
	<u>44</u>	<u>56</u>

Key management personnel & Directors remuneration

The emoluments received by directors for the year was £147,251 (2021: £142,915) and the total remuneration of the remaining key management personnel, excluding directors, was £288,101 (2021: £533,047). The figures above include salary, pension and employers national insurance contributions.

7. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	-	(127,123)
Total current tax	<u>-</u>	<u>(127,123)</u>

UKACTIVE
(A Company Limited by Guarantee)

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

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(192,240)</u>	<u>(800,835)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(36,526)	(152,159)
Effects of:		
Utilisation of tax losses	2,053	-
Adjustments to tax charge in respect of prior periods	-	2,271
Income & expenditure relating to members mutual trading, not taxable	34,473	152,159
Adjustments to provision in respect of previous periods	-	(129,394)
Total tax charge for the year	<u>-</u>	<u>(127,123)</u>

Factors that may affect future tax charges

While ukactive continues its activities with the purpose of supporting its members, tax will only be charged on profits derived from non-member income.

UKACTIVE
(A Company Limited by Guarantee)

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

8. Intangible assets

	Website and software costs £
Cost	
At 1 April 2021	293,333
Additions	7,555
At 31 March 2022	<u>300,888</u>
Amortisation	
At 1 April 2021	121,391
Charge for the year on owned assets	56,523
At 31 March 2022	<u>177,914</u>
Net book value	
At 31 March 2022	<u>122,974</u>
At 31 March 2021	<u>171,942</u>

UKACTIVE
(A Company Limited by Guarantee)

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

9. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2021	66,620	52,689	119,309
Additions		3,209	3,209
At 31 March 2022	<u>66,620</u>	<u>55,898</u>	<u>122,518</u>
Depreciation			
At 1 April 2021	30,168	17,799	47,967
Charge for the year on owned assets	8,677	10,582	19,259
At 31 March 2022	<u>38,845</u>	<u>28,381</u>	<u>67,226</u>
Net book value			
At 31 March 2022	<u>27,775</u>	<u>27,517</u>	<u>55,292</u>
At 31 March 2021	<u>36,452</u>	<u>34,890</u>	<u>71,342</u>

10. Debtors

	2022 £	2021 £
Trade debtors	504,746	966,475
Other debtors	78,494	64,539
Prepayments and accrued income	159,233	151,850
	<u>742,473</u>	<u>1,182,864</u>

Included within other debtors as at 31 March 2022 is a rental deposit of £15,372 (2021: £63,000) which is due in more than one year.

UKACTIVE
(A Company Limited by Guarantee)

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

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	141,319	110,648
Other taxation and social security	89,081	183,079
Other creditors	59,357	63,402
Accruals and deferred income	764,345	1,742,714
	1,054,102	2,099,843

12. Provisions

	Provisions for taxation £
At 1 April 2021	46,477
Charged to profit or loss	28,199
Released in year	(74,676)
At 31 March 2022	-

This provision related to historic input VAT recovered but repayable to HMRC in relation the a recalculation of the partial exemption calculation method, which has now been agreed and fully settled.

13. Pension commitments

The company's staff are enrolled in a defined contributions pension plan. During the year the total employer contributions expensed were £60,585 (2021: £78,779). As at the year end, an amount of £8,949 (2021: £10,831) remained payable to the pension scheme.

14. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	166,992	372,000
Later than 1 year and not later than 5 years	23,664	126,000
	190,656	498,000

UKACTIVE
(A Company Limited by Guarantee)

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

15. Public funding reconciliation

	Sport England £	Other public sector income £	Non-public income £	TOTAL £
Grant Income	1,315,536	21,805	145,655	1,482,996
Membership Subscriptions	-	-	829,046	829,046
Promotions and Other Income	-	-	555,882	555,882
License and Product Income as Agent	-	-	92,688	92,688
Total income	1,315,536	21,805	1,623,271	2,960,612
Promotion costs	(157,491)	-	(112,271)	(269,762)
Venue and Seminar Costs	(233)	-	(93,853)	(94,085)
Employee Costs	(1,005,482)	(21,384)	(1,075,588)	(2,102,453)
Premises Costs	-	-	(337,508)	(337,508)
General Admin Expenses	(152,330)	(421)	(196,319)	(349,070)
Total expenditure	(1,315,536)	(21,805)	(1,815,539)	(3,152,878)
Net income/(expenditure)	-	-	(192,268)	(192,266)

	Sport England £	Other public sector income £	TOTAL £
Cash reconciliation			
Recognised in P&L	1,315,536	21,805	1,337,341
Movement in Grant accrual	-	32,610	32,610
Transfer to/(from) deferred grant	474,318	-	474,318
Invoices not yet paid	-	-	-
Cash received during the financial year	1,789,854	54,415	1,844,269
Deferred Grant Reconciliation			
Opening Balance	476,345	-	476,345
Transfers in	841,218	54,415	895,633
Release to P&L	(1,315,536)	(54,415)	(1,369,951)
Closing Balance	2,027	-	2,027