

UKACTIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



UKACTIVE
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Professor Dame Carol Black DBE David Courteen (appointed 1 April 2022) Kathryn Cox (appointed 21 April 2022) Huw Edwards Michael Farrar (chair) (appointed 1 September 2022) Amy Ham (appointed 28 September 2022) Mark Sesnan John Treharne Professor Greg Whyte Victoria O'Byrne (appointed 28 September 2022) David Wright (appointed 1 February 2023)
Company secretary	Christopher Martin Jonathan Halliday
Registered number	02589238
Registered office	Fox Court 14 Gray's Inn Road London WC1X 8HN
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Business review

Following the impact of the COVID-19 pandemic in the prior years, the organisation was able to return to normal business activities in the year. This included having multiple in-person events, engaging with members in person, and undertaking projects which would not have been possible under social distancing restrictions.

This resulted in an improved financial performance in the year, with a reduced deficit reported. The delivery of the updated five-year Business Plan budget will ensure that this improved performance continues over the coming years, with a surplus forecast to be delivered from 2023/24. To make sure that this is achieved, during the year the organisation reviewed the critical success factors that need to be embedded in 2023/24 and provisions have been included in the budget to support these areas.

2022/23 also saw a further year of collaborative partnership with Sport England - the first of a five-year agreement for Uniting the Movement, focused on the systems that can create opportunities for all people to take part in physical activity and tackle the inequalities that affect participation. In addition to the partnership with Sport England continuing to be strengthened, there were great successes in the delivery of the partnership objectives for 2022/23, including the announcement of additional funding to develop the This Girl Can Safer Spaces for Women and Girls work, the release of the Everyone Can report for disability inclusion and the second wave of our Digital Futures consultation.

Business plans and strategy

Following the approval of our long-term strategy, Vision 2030: the opportunity for the sector, in the prior year, work began in earnest to progress our objective to grow the size, influence and status of our sector, by helping our members to engage over 20% of the population by 2030.

The detailed 2023/24 Business Plan was developed, which is framed by the three purposes identified in the five-year Business Plan that 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

The long-term financial sustainability of the organisation continues to be a key component of the Business Plan and a priority as part of our strategic aims. Along with delivering the highest quality membership engagement and value, a further key principle of the Business Plan and a focus for 2023/24 is to deliver greater organisational efficiency and effectiveness, to ensure that ukactive will be able to navigate the sector towards Vision 2030.

Financial results

The loss for the year, after taxation, amounted to £26,496 (2022 - loss £192,240).

For the year ended 31 March 2023, ukactive's revenue was £3,246k (2022: £2,961k) and operating expenditure was £3,273k (2022: £3,153k), generating an operating loss of £26k (2022: £192k loss).

ukactive's Statement of Financial Position shows net assets of £332k (2022: £358k). The decrease in net assets is due to the loss made during the year. The objective of increasing organisational reserves has been incorporated into the Business Plan financial projections to ensure that ukactive remains in a position to deliver its strategic priorities. A surplus is forecast to be delivered in future years including 2023/24, which will replenish reserves.

The principal financial key performance indicator (KPI) for the organisation is performance against budget. The net loss before tax result was £26k worse than a budgeted breakeven position. The financial performance of our flagship event was the main cause of this deficit. The contributing factors have been identified and improvements implemented to ensure that a deficit against budget is not seen in 2023/24.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Directors

The directors who served during the year were:

Baroness Tanni Grey-Thompson DBE (chair) (resigned 31 August 2022)
Professor Dame Carol Black DBE
Dr. Peter Bonfield (resigned 20 July 2022)
David Courteen (appointed 1 April 2022)
Kathryn Cox (appointed 21 April 2022)
Sandra Dodd (resigned 20 April 2022)
Huw Edwards
Michael Farrar (chair) (appointed 1 September 2022)
Adrian Packer (resigned 1 February 2023)
Amy Ham (appointed 28 September 2022)
Mark Sesnan
John Treharne
Professor Greg Whyte
Victoria O'Byrne (appointed 28 September 2022)
David Wright (appointed 1 February 2023)

Principal risks and uncertainties

The Board has oversight of risk management, with a focus on the key strategic risks facing ukactive. The Finance and General Purposes 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 2023/24 Business Plan has been developed with consideration to the key strategic risks and the potential impact that they could have on ukactive.

The main strategic risk facing ukactive continues to be the impact that national / global catastrophic events could have on the ability of the physical activity sector to operate and maintain viability. In 2022/23, ukactive continued to engage and lobby government on behalf of members to ensure that key sector operational priorities remain on the political agenda. This work remains a priority in 2023/24.

Certainty around key revenue areas continues to be a business risk, given the strategic risk identified above. 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 2023. The organisation considers price increases in the context of market inflation and after internal cost-savings have been reviewed. The collaboration with Sport England, as part of our five-year funded partnership, continues to go from strength to strength with multiple resources and guidance produced for the sector in addition to the building of data and insight to support members' work. This essential system partner is now being extended to create system partnerships with other leading national organisations that can support the ongoing growth of the fitness and leisure sector.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Future developments

Engaging with our members, ukactive will continue to work towards Vision 2030. Each of the work milestones set out in the 2023/24 Business Plan correlates with one of the three areas of purpose.

1. To support, protect and inform our members

Providing expert guidance and counsel across a range of operational and reputational areas, including insight, research, and regulatory issues.

2. To represent and champion our members

Representing the collective views of members to national, regional and local governments and their agencies to ensure our sector can operate in the best possible landscape. This includes addressing issues of reputational risk and progressing key reforms that will allow our sector to play its fullest role in society.

3. To help our members grow

Leading and facilitating work that will reform and evolve the sector to help it become fully inclusive of the communities it serves, while advancing partnerships which will support its growth and influence, driving national health improvements.

ukactive is also still focused on its role:

- 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 is informed by our members and stakeholder engagement, is supported by our governance structure and people, and is underpinned by our ukactive values.

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 and the Group'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 and the Group'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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

This report was approved by the board on 19 July 2023 and signed on its behalf.



Michael Farrar (chair)
Director

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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 2023, 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 2023 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.

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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.

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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 noncompliance 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 noncompliance 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.

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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
Date: 19 July 2023

UKACTIVE
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	3,246,483	2,960,612
Cost of sales		(459,968)	(359,732)
Gross profit		2,786,515	2,600,880
Administrative expenses		(2,794,518)	(2,793,144)
Loss on disposal of tangible fixed assets		(23,412)	-
Operating loss		(31,415)	(192,264)
Interest receivable and similar income		-	24
Loss before tax		(31,415)	(192,240)
Tax credit	7	4,919	-
Loss for the financial year		(26,496)	(192,240)

There was no other comprehensive income for 2023 (2022:£NIL).

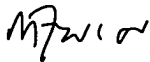
The notes on pages 13 to 24 form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	8	78,556	122,974
Tangible assets	9	30,787	55,292
		109,343	178,266
Current assets			
Debtors: amounts falling due within one year	10	507,912	742,473
Cash at bank and in hand		792,362	491,816
		1,300,274	1,234,289
Creditors: amounts falling due within one year	11	(1,077,660)	(1,054,102)
Net current assets		222,614	180,187
Total assets less current liabilities		331,957	358,453
Net assets		331,957	358,453
Capital and reserves			
Profit and loss account		331,957	358,453
		331,957	358,453

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2023



Michael Farrar (chair)
 Director

The notes on pages 13 to 24 form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Profit and loss account £	Total equity £
At 1 April 2021	550,693	550,693
Loss for the year	(192,240)	(192,240)
At 1 April 2022	<u>358,453</u>	<u>358,453</u>
Loss for the year	(26,496)	(26,496)
At 31 March 2023	<u><u>331,957</u></u>	<u><u>331,957</u></u>

The notes on pages 13 to 24 form part of these financial statements.

UKACTIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 Fox Court, 14 Gray's Inn Road, London, WC1X 8HN.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 2022-23 the company continued to have 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 £87k (2022: £88k) is sufficient and the remaining net £342k (2022: £505k) trade debtors as at 31 March 2023 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.

4. Turnover

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

	2023 £	2022 £
Membership subscriptions	928,391	829,046
Promotions and other income	649,405	555,882
Grant income	1,585,750	1,482,996
License and product income as agent	82,937	92,688
	<u>3,246,483</u>	<u>2,960,612</u>

5. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	19,490	19,900

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6. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	1,873,563	1,779,210
Social security costs	214,070	200,130
Cost of defined contribution scheme	59,169	60,585
	<u>2,146,802</u>	<u>2,039,925</u>

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

	2023 No.	2022 No.
Membership and Sector Development	18	19
Research, Policy and Communications	9	10
Business Operations	8	9
Executive and Corporate	7	6
	<u>42</u>	<u>44</u>

Key management personnel & Directors remuneration

The emoluments received by directors for the year was £152,293 (2022: £147,251) and the total remuneration of key management personnel, excluding directors was £347,347 (£288,101). The figures above include salary, pension and employers national insurance contributions.

7. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	(4,919)	-
Total current tax credit	<u>(4,919)</u>	<u>-</u>

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7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Loss on ordinary activities before tax	(31,415)	(192,240)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(5,969)	(36,526)
Effects of:		
Utilisation of tax losses	-	2,053
Income & expenditure relating to members mutual trading, not taxable	2,213	34,473
Adjustments to tax charge in respect of previous periods	(4,919)	-
Remeasurement of deferred tax for changes in tax rates	(1,185)	-
Movement in deferred tax not recognised	4,941	-
Total tax credit for the year	(4,919)	-

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.

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8. Intangible assets

	Website and software costs £
Cost	
At 1 April 2022	300,888
Additions	12,368
At 31 March 2023	<u>313,256</u>
Amortisation	
At 1 April 2022	177,914
Charge for the year on owned assets	56,786
At 31 March 2023	<u>234,700</u>
Net book value	
At 31 March 2023	<u>78,556</u>
At 31 March 2022	<u>122,974</u>

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9. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2022	66,620	55,898	122,518
Additions	-	11,954	11,954
Disposals	(35,226)	(4,648)	(39,874)
At 31 March 2023	<u>31,394</u>	<u>63,204</u>	<u>94,598</u>
Depreciation			
At 1 April 2022	38,845	28,381	67,226
Charge for the year on owned assets	2,250	10,797	13,047
Disposals	(13,210)	(3,252)	(16,462)
At 31 March 2023	<u>27,885</u>	<u>35,926</u>	<u>63,811</u>
Net book value			
At 31 March 2023	<u>3,509</u>	<u>27,278</u>	<u>30,787</u>
At 31 March 2022	<u>27,775</u>	<u>27,517</u>	<u>55,292</u>

10. Debtors

	2023 £	2022 £
Trade debtors	342,016	504,746
Other debtors	15,877	78,494
Prepayments and accrued income	150,019	159,233
	<u>507,912</u>	<u>742,473</u>

Included within other debtors as at 31 March 2023 is a rental deposit of £15,372 (2022: £15,372) which is due in more than one year.

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11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	54,005	141,319
Other taxation and social security	105,164	89,081
Other creditors	52,632	59,357
Accruals and deferred income	865,859	764,345
	1,077,660	1,054,102

12. Pension commitments

The company's staff are enrolled in a defined contributions pension plan. During the year the total employer contributions expensed were £59,169 (2022: £60,585). As at the year end, an amount of £8,820 (2022: £8,949) remained payable to the pension scheme.

13. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	23,664	166,992
Later than 1 year and not later than 5 years	-	23,664
	23,664	190,656

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14. Public funding reconciliation

	Sport England £	Other public sector income £	Non-public income £	TOTAL £
Grant Income	1,323,484	127,321	134,945	1,585,750
Membership Subscriptions	-	-	928,391	928,391
Promotions and Other Income	646	69,534	579,225	649,405
License and Product Income as Agent	-	-	82,937	82,937
Total income	1,324,130	196,855	1,725,498	3,246,483
Promotion costs	(81,170)	(13,540)	(150,807)	(245,517)
Venue and Seminar Costs	(1,694)	-	(221,148)	(222,842)
Employee Costs	(936,036)	(168,635)	(1,139,144)	(2,243,815)
Premises Costs	-	-	(169,872)	(169,872)
General Admin Expenses	(305,230)	(14,680)	(75,942)	(395,852)
Total expenditure	(1,324,130)	(196,855)	(1,756,913)	(3,277,898)
Net income/(expenditure)	-	-	(31,415)	(31,415)
			Other public sector income £	TOTAL £
Cash reconciliation				
Recognised in P&L		1,324,130	196,855	1,520,985
Movement in Grant / contract accrual		-	(49,207)	(49,207)
Transfer to/(from) deferred grant / contract		(39,097)	-	(39,097)
Invoices not yet paid		-	(12,550)	(12,550)
Cash received during the financial year		1,285,033	135,098	1,420,131
Deferred Grant / Contract Reconciliation				
Opening Balance		2,027	-	2,027
Transfers in		1,363,227	135,097	1,498,324
Release to P&L		(1,324,130)	(135,097)	(1,459,227)
Closing Balance		41,124	-	41,124