

REGISTERED COMPANY NUMBER: 05458934 (England and Wales)
REGISTERED CHARITY NUMBER: 1111804

CHARITY COMMISSION
FIRST CONTACT

28 DEC 2017

ACCOUNTS
RECEIVED

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2017
FOR
ACTIVE LUTON

FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

ACTIVE LUTON

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for the Year Ended 31 MARCH 2017**

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ACTIVE LUTON

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2017

The trustees serving during the year and since the 31 March 2017 are as follows:

Local Authority Trustees

Clive Richard Mead

Mahmood Hussain

John Young

Ordinary Trustees

Andrew John Cook (Chairman)

Colin Michael Mayes (Vice Chairman)

Margaret Anne McNerney

Clive Anthony Robins

Patricia Anne Wilson

Jonathan David Williets

Mark Lawrence Cattle

Gareth Jones

Siobhan Rooney

Mohammed Kabir

Celia Robb

Paul Seath

Lynne McMulkin (appointed - 19 October 2016)

Ann Morag Stewart (appointed - 20 April 2016)

Glynis Yates (appointed - 19 October 2016)

Chief Executive Officer

Helen Barnett

Company Secretary

Sue Jones

Registered Office

Wigmore Hall

Eaton Green Road

Luton

Bedfordshire

LU2 9JB

Registered Company Number

05458934 (England and Wales)

Registered Charity Number

1111804

Auditors

FKCA Limited

Prospero House

46-48 Rothesay Road

Luton

Bedfordshire

LU1 1QZ

Solicitors

Winkworth Sherwood

Minerva House

5 Montague Close

London

SE1 9BB

ACTIVE LUTON

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2017**

Pictons Solicitors LLP
28 Dunstable Road
Luton
Bedfordshire
LU1 1DY

Bankers
The Co-Operative Bank
2-6 Alma Street
Luton
Bedfordshire
LU1 2PL

Bank of Scotland
2nd Floor
249 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1NA

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the group according to the memorandum of association are as follows:

- 1) To provide facilities and services for recreational, sporting or other leisure activities for the public,
- 2) To promote community participation in healthy recreation,
- 3) Provide education to the public of the benefits of physical activity.

We believe that sport and physical activity is of benefit to the community for their physical, mental and emotional health and wellbeing and we aim to make a difference to the lives of the people of Luton, working in partnership with like-minded organisations.

Active Luton achieves this through:

- Provision of a wide range of inclusive opportunities for community participation in sport and physical activity,
- Promoting the benefits of a more active, healthy and social lifestyle,
- Promotion of the value of physical activity, physical education and sport as part of the school experience,
- Provision of facilities and services for community sporting and leisure activities that are attractive, accessible and affordable for all.
- Development of partnerships and innovative programmes to meet the diverse needs of the community,
- Developing and investing in our staff to ensure that we provide a high quality, customer focused service.

We have three main strands to our work which are:

- Running programmes to encourage, motivate and help people from all backgrounds, ages and abilities to benefit from physical activity to improve their physical, mental and emotional health and wellbeing,
- Working with medical professionals, health organisations and other charities to deliver personalised programmes for people with specific medical conditions,
- Delivering high-quality training and development to further not only the careers of our own staff, but also those of individuals and partners within community organisations and local businesses.

The charity also hosts team Beds&Luton (tBL) which is one of 44 County Sports Partnerships (CSP's) across England and is the lead agency for Bedfordshire & Luton. CSP's are networks of local agencies committed to working together to increase participation in sport and physical activities. This includes supporting the development of the infrastructure for sport and physical activities to enable participation to be easily accessible by all sectors of the community.

The charity also hosts the Luton Sports network, which is a grant funding group for sport within Luton supporting local clubs and individuals.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

During 2016/17 we saw a further reduction in our donation from London Luton Airport Ltd. We continued successfully to diversify our income streams and strengthen established areas of revenue generation – in particular gym memberships and casual centre users. As a result, the breadth of services that we offer grew in the period, as did our customer base. We also secured funding from the Big Potential Advanced programme to pay for the use of consultants when developing bids for new contracts or services. The funding covers support with a range of services including financial modelling, contract readiness, organisational development, social impact, return on investment and specialist tax and HR advice. Our commitment to and reputation for high quality and customer satisfaction also remained strong and we also continued to support and work with a wide range of partners and invested in both our centres and IT infrastructure while also continuing to focus on efficiency savings.

Facility Users

The number of people using our facilities increased by 3.41 per cent and the demographics of our customers showed an increase in those from BAME groups, women and people with a disability. Customers on the Learn to Swim & Dive schemes increased to 3,069 (2,930 in 2015/16). The average length of membership of customers on our direct debit health and fitness schemes remained strong at 21.5 months – compared to an industry average of 15 months

Facility Improvements

In addition to investment in improved CCTV at several sites, specific centre improvements included:

- Lewsey - Introduction of cubicles in the male changing room and heating system upgrade
- Inspire - Creation of an additional 'free weights' area in the gym, service and repair of the sports hall floor, new competition pool lane ropes, planting and landscaping of external plant beds and modifications to the pool changing village and entrance/exits to the Community Pool to improve provision for single gender only swimming sessions.
- Lea Manor - upgrade of electrics and lighting and the removal of asbestos from plant and changing rooms, plus increased security measures on the 3G pitches.

Health & Wellbeing

Our Health and Wellbeing team continued to expand its offer throughout 2016/17, continuing to develop new and strengthen existing partnerships with local and national health organisations and charities. In many areas, for example cancer rehabilitation, its work in Luton is held up as best practice and is achieving national recognition for impact on the quality of life of service users.

The team grew over the last 12 months to support the development of the service in terms of the increased number of referrals, the growing number of self-referrals, the introduction of new programmes to meet local needs and the growing number of more complex referrals requiring one to one support. During the period the Health and Wellbeing team engaged with over 2,000 new service users. This equates to around 210,000 visits to our centres by people undertaking physical activity and interacting socially with peers for the benefit of both their physical and mental wellbeing.

Highlights during the period included the growth of the Exercise Referral service. Commissioned by Public Health (Luton Borough Council) with a target of 460 new customers, new referrals actually numbered 1,034 - the highest number of referrals to this service to date.

All programmes continued to be available to primary care workers, acute care and other health professionals and we improved our NHS referral system by becoming an authorised user of the NHS secure referral network, NHS mail, for sharing identifiable and sensitive patient information.

Move More Luton

The programme in partnership with Macmillan Cancer Support and the Luton & Dunstable NHS Trust continued to grow in terms of customer engagement and its national reputation. There are now over 600 service users engaged in activity programmes on a weekly basis, many of whom moved from a starting position of needing support to taking out a health and fitness membership to take part in mainstream activities independently.

The project was chosen as one of two to be involved in an exciting and innovative new research project with Exeter University and Macmillan Cancer Support where participants wear an accelerometer to measure their activity and lifestyle prior and during engagement with our programme.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

Macmillan Cancer Support extended funding for Move More Luton programme to March 2018.

Programme participants also raised money for the British Lung Foundation through social events.

Rehabilitation

This area of the team's work continued to expand with sessions using activity and behaviour change techniques to manage a wide range of health conditions including pulmonary disorders, multiple sclerosis, stroke, head injury, Parkinson's, cardiovascular disease, coronary heart disease and a sickness absence scheme for the local authority workforce.

Working with the voluntary and community sectors and local and national charities, the number of people being offered physical activities as a part of their recovery increased and the Health and Wellbeing team increased the number and diversity of sessions it offers by providing additional training and opportunities for personal development to staff across the organisation.

Me Time Family

Our three-year programme to provide physical activity for families from pregnancy up to and including the child's 5th birthday currently has 324 participants enrolled and runs 26 weekly opportunities for them to be active.

Young People

Our work in this area includes:

Active Young Carers - an activity programme and four annual events for 11-18 year olds who act as unpaid carers run in partnership with CHUMS (a mental health and emotional wellbeing service for children and young people)

Supported gym & studio-based interventions in small groups for people with PCD (a genetic pulmonary condition)

A Cystic Fibrosis referral programme with Great Ormond Street Hospital providing one to one activity for children from 18 months.

Older People

We continued to offer the very popular Walking Football targeting older, inactive men. This programme expanded with participants entering local tournaments and is a part of the national 'Just Play' initiative.

We also initiated a project with Swim England on Dementia-friendly swimming, as well as working with local groups on how to improve our provision and access for people with dementia. We provided small group and one to one based activities for people with dementia.

Health Station

The health station, based predominantly at Inspire: Luton Sports Village, continued to be a huge asset. Customers, ranging from health and fitness members to those on health and wellbeing programmes, value the ability to monitor their own health statistics and indicators with the machine recording over 26,000 visits during the year. The health station continued to be an important customer retention and 'added value' asset for us.

Social Prescription

We continued to be a significant stakeholder and provider for this scheme in partnership with Luton Borough Council, Better Together Board, Luton Clinical Commissioning Group and Live Well Luton.

The programme moved from a pilot to a full scheme with plans to be rolled out further across the four GP clusters during 2017/18. The scheme showed great potential in this introductory phase with some hugely encouraging outcomes for individuals.

We continued to work with the University of Bedfordshire; Luton Borough Council & Sport England on a project investigating the barriers to participation in sport & physical activity in Luton. During 2016/17 the project focused on producing a marketing campaign to encourage and empower Luton's residents to be more physically active using information from the previous year's mystery visits. This project brought students, businesses and the community together to help produce work-ready graduates.

Work also continued to progress with the University of Bedfordshire with a number of PhD and Masters students undertaking projects to evaluate our health and wellbeing programmes, with publications due in the autumn of 2017.

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REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

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Achievement and performance

Charitable activities

We also played a key role in national and local development of health and wellbeing best practice, with some of our programmes being held up as 'beacon projects' attracting interest from academics undertaking research into the effective recruitment, delivery and retention of inactive people and people with long-term conditions.

Active Education Team

At the start of the financial year, 66 per cent of Key stage 1 and 2 schools (31 schools in total) in Luton had bought a package of PE support from our Active Education team confirming the demand for our work from local schools. The team are now looking to expand their offer into Central Bedfordshire and beyond.

The delivery of high quality Continuing Professional Development (CPD) opportunities was also a key element of our work with schools and they continued to deliver the Association for Physical Education (AfPE) accredited Level 5/6 PE subject leaders course.

In addition to whole-school CPD, they continued to deliver all the PE training for the Bedfordshire Schools' Training Partnership (Central Bedfordshire) and the Shire Foundation (Luton). In total, over the past 12 months, we delivered courses to 810 delegates. Evaluation forms indicated 100 per cent satisfaction with the quality of delivery and potential impact on pupil outcomes and future practices. Anecdotal feedback and observed sessions also indicated a positive impact back in schools.

The team was commissioned by Team Beds and Luton to monitor how Luton's key stage 1 and 2 schools are utilising their PE and Sport Premium funding and provided support to a number of schools to help them use their funding effectively. In addition, the team continued to manage Evolve, the online approval system for the council, and provided advice and guidance to schools in the safe running of educational visits.

The team continued to support River Bank Primary School, both in an advisory capacity and in delivering its PE lessons on a weekly basis, and they continue to oversee the provision of school swimming on behalf of the organisation to ensure a high-quality service is being provided.

The Active Education Team was also commissioned to undertake work on behalf of Luton Borough Council, following funding from Sport England to support 16 schools across Luton to increase community access. This is a two-year project requiring business development support, marketing and communication to develop community links and case studies to share learning and best practice.

Significant time and investment has been put into Dell Farm Outdoor Education Centre over the past year. The team undertook a comprehensive review of the residential offer, including a financial benchmarking exercise against other residential providers. As a result, a new offer and three-tiered pricing structure was established for all bookings post-September 2017. Funding obtained from Pictons solicitors enabled new furniture and bunk beds to be purchased for the downstairs dormitories and additional funding was secured to purchase age-appropriate classroom furniture. Dell Farm's offer was also strengthened with the production of new marketing material, including updates to the website, to support the drive for new business opportunities.

Dell Farm also provided opportunities to work with local businesses through community giving days. Employees from Vauxhall expressed an interest in helping out at Dell Farm, following the public consultation on its future. Teams of staff spent several days at the centre working on improvements including ground works and repairs and exterior and interior decoration. All materials were provided by Vauxhall with the help of other companies providing specialist services including scaffolding and electricians.

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REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

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Communities/Outreach Team

The Sport England 'Sportivate' initiative targeting 11 - 25 year olds by funding sports projects for up to eight weeks delivered 24 projects locally with 450 young people taking part. The KiTS (Community Integration Through Sport) programme, a programme using sport to engage, empower and improve the lives of disadvantaged young men and funded by the Bedfordshire Commissioner's Community Safety Grant, engaged with over 1,500 young men in activity sessions. Two of the KiTS football sessions are now self-sustaining and continue to be delivered by Luton Town FC Community Trust.

The 'Doorstep Sports Clubs', funded by Sport England and designed to deliver sport to disadvantaged young people living in the Lewsey Farm and the Lea Manor areas, led to self-sustaining basketball sessions at Lea Manor Recreation Centre. Luton Town Basketball League also continued to deliver two community grassroots sessions per week, which feed into an established pathway to elite participation.

A key success of the team was the continued growth of the ME TIME women and girls activity project which reached a figure of 5,000 participants in December 2016 – over twice the target set at the outset and with several sessions becoming self-sustaining. In light of the huge success of ME TIME in line with Sport England's strategy to target inactivity at grassroots level, Sport England invited us to apply for a 12-month extension from the Community Sport Activation Fund. The application for a further £72,000 funding was submitted at the end of January 2017.

The team also continued to deliver the ME TIME FAMILY programme (Flying Start) which is jointly funded by LBC, the Clinical Commissioning Group and the Pre-School Learning Alliance to engage families from pregnancy to children under five years. To ensure maximum impact this programme continued to be co-ordinated and delivered alongside the women's only sessions so that they complement one another.

Following a successful application to the Tesco Charity Partnership, (a partnership between Diabetes UK, the British Heart Foundation and Tesco), a programme of free health walks is now underway from Lewsey Sports Park and Hightown Community Sports and Arts Centre. Active Luton's Outreach Team were asked to take part in a photo shoot for a national campaign for their 'Let's Do this' initiative targeting women and young families. Through this programme, we now have a presence at the Luton Carnival, Luton MELA and the Lewsey Festival.

Training and Workforce Development

2016/17 saw an expansion in the programmes delivered by the Training & Development team with a key area of growth being the number of aquatic courses across a range of disciplines. The team also supported the training and development of 47 apprentices in the period, delivering a range of Level 2 and Level 3 accredited qualifications.

As a result of the growth within our own organisation and the mandatory training programme, the team has piloted a range of online training courses through iHASCO which is proving popular with staff. They were also successful in securing funding to deliver a L3 Management Programme – six members of supervisory staff benefitted from this.

The women-only National Pool Lifeguard programme, working with BAME groups across the community, and run with support from Denbigh High School, continued to grow and we now have 19 qualified female lifeguards; 14 of which have joined the Active Luton's register of qualified lifeguards.

The partnership working with Luton Adult Learning saw a number of programmes continue to develop. Through this partnership the team delivered a range of courses from Infant & Child Resuscitation to Lifesaving Skills, Chair Based Activity and Healthy Lifestyles programmes and supported the training of approx. 400 new Learners over the past academic year both within Active Luton sites and community settings and facilities.

A member of the team continued to deliver the chemistry in schools programme across Herts, Beds and Bucks, demonstrating how pool plants work and explaining the chemistry associated with pool water and the filtration processes.

The team also continued to work with governing bodies, awarding bodies and key partners to assist with the development of qualification and employment opportunities within the leisure industry and were recognised by the Princes Trust (Thanks a Million) and the Royal Life Saving Society (RLSS) as a 'top 3' provider in the IQL (the trading subsidiary of the RLSS) awards in 2016.

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REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

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Achievement and performance

Charitable activities

Health & Safety

Developments and improvements in Health & Safety continued in 2016/17. Over our 2-year audit cycle by independent health and safety advisors we achieved an average of 85 per cent, up from 82 per cent for the previous cycle, with no statutory failings.

Quality Assurance

We retained Quest Accreditation (the sport and leisure industry's Quality Assurance Tool for facility management) at Inspire: Luton Sports Village, Lewsey Sports Park and Pool and Lea Manor Recreation Centre.

We undertook three online customer surveys achieving an overall Net Promoter Score (NPS) of 51 per cent against an industry average of 35 per cent. There were also monthly mystery shopper audits of our main centres.

Team Beds and Luton

The key achievements of Team Beds and Luton in the period were:-

A series of club, coach and volunteer courses and workshops attended by 320 coaches and volunteers during the year, focussing on expanding and ensuring quality assurance of the sports workforce.

Our work in this area has also provided funding support through bursaries and interventions that have supported 82 people to become coaches and volunteers on the 'Me Time leaders' programme. This programme focused on providing coaching and leadership qualifications for women from BAME communities across Luton in partnership with Active Luton's Me Time women's activity programme. The programme originally targeted 30 women securing new qualifications.

Delivery of the final year of Sport England's Olympic young person's participation legacy programme, Sportivate, across Bedfordshire and Luton involved a broad range of partners to deliver a wide range of sport and physical activity projects across the county. The programme has engaged 1,693 young people with 1,498 of them completing 6-8 weeks of activity.

The primary focus of the programme was to work with inactive young people (not completing 1x30min of activity a week) classified as an at-risk population. Fifty nine per cent (883) of the young people that completed sessions were previously identified as inactive.

Team Beds and Luton continued to support the 14-19 age groups through the creation of 17 new Satellite Clubs across the county, providing young people with the opportunity to access a sport and/or physical activity club supported by a local sports or community club.

A significant amount of work was also undertaken to support and upskill existing clubs, particularly in improving knowledge and understanding around behaviour change (working closely with the University of Bedfordshire), effective engagement with young people and monitoring and evaluation of their programmes.

We continued our offer for adults through the Workplace Challenge. The programme recruits workplaces and their workers to take part in an online measurement of individuals' and teams' activity together with the opportunity to take part in organised sporting challenges and events. The first two and a half years of the programme has seen us recruit 366 workplaces and 1,725 registered users. This offering has continued to be strongly supported by its own delivery programme that has provided a number of exciting opportunities for workplaces to get involved and take part in regular sporting activities involving established community clubs.

Team Beds and Luton continued to work in partnership with the Disability Resource Centre to deliver its three-year Disability Sports and physical activity programme 'No Limits'. The project has established a number of exciting opportunities for the sector to access a variety of sports and physical activities. In the last year 62 projects were delivered and accessed by 985 participants.

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REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

The year has seen a broadening of the offer to include low impact physical activities in partnership with a national social enterprise Oomph! In addition, a new and attractive offer was developed for Blue Badge holders to access leisure facilities and activities in partnership with Active Luton.

Team Beds continued to support Local Authorities, Parish Councils, Town Councils, Community Sport Clubs, Educational establishments and Community Clubs with applications for funding to secure facility and infrastructure improvements. £203,000 of new investment into Bedfordshire was generated during the year as a result of this work.

Team Beds was instrumental in the set-up of a Bedfordshire-wide partnership to support applications to secure significant inward investment into the county through the newly released Sport England national funding opportunities. The relationships within this partnership and the related work strands form a key focus for the organisation over the coming 12 months,

The schools remit continued to include working with the Primary Premium programme. Team Beds were tasked with providing good quality and effective intelligence on the use of these funds by Primary Schools, together with a support programme for schools requiring help and assistance in the effective use of the funds. In Luton, this is delivered through Active Education.

This work was supplemented by the delivery of a one-day PE and School Sport Conference at the end of March. We were delighted to host and provide learning opportunities through our partners to more than 160 PE teachers on the day. Team Beds continued to work closely with the Local Authorities School Games Organiser networks and the Youth Sport Trust to develop the offering in this area of work.

Delivery of the Level 3 School Games events including two county-wide festival events was successfully completed during the year. Support was also provided to ensure that a range of Level 3 events, attended by around 3,000 young people were delivered to a high standard. Two top quality County wide events took place in Bedford in June and Luton in March. These were attended by over 2,000 young people and supported by a host of young leaders, our key delivery partners and high-profile sporting champions.

Fundraising activities

This year we have made a deficit from our activities amounting to £113,954 compared to a deficit of £129,378 in the previous financial period. Of this deficit, £308,000 of cost (2015/16: £348,000) relates to returns on the Local Government Pension Scheme (LGPS): a deficit of £37,932 (2015/16: £29,772) relates to utilisation of restricted funds brought forward for tBL leaving a surplus of £231,978 (2015/16: surplus £344,850) for all other activities. A £856,000 pension cost arising from the requirements of Financial Reporting Standard number 102, results in a deficit of £969,954. Our net assets of £590,944 shows a decrease compared to the net assets of £1,560,898 at 31 March 2016. Excluding the impact of the Local Government Pension Scheme & the Restricted funds a surplus of £231,978 was achieved.

Incoming resources for 2016/17 have remained fairly constant at £9,519,775 compared to £9,534,816 in 2015/16 despite reductions in the LLAL donation. The donations overall reduced by 6.8%. Increases in attendance across the facilities operated as the charity has sought to improve the quality and quantity of services offered with income generated from charitable activities increasing by 2.5%.

Total resources expended for 2016/17 remained in line at £9,432,729 compared to £9,316,193 in 2015/16. This is due to tight control of costs that still sustained pay rises and investment in sites.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRATEGIC REPORT

Financial review

Principal funding sources

The parent charitable company obtains a donation from London Luton Airport Limited which this year totalled £1.4 million. Luton Borough Council provides essential services to the charity such as support for Information Technology and Human Resources services.

Sport England also provides significant grants to assist in the community outreach work. Without its support much of the sports development work in the area would be severely restricted.

We receive a significant element of our income from the users of the facilities and the services provided by the charity. Pricing is carefully monitored and benchmarked to ensure that the group is encouraging all sections of the community to participate in activities being provided.

The charity operates from buildings and uses equipment leased at peppercorn rent from Luton Borough Council. No adjustment has been made to bring in the market value of those rents and equipment lease charges as a cost along with the corresponding adjustment to grants received.

Pension review

The reserves policy as detailed below excludes the pension asset/liability as changes to this is the result of changes in the actuarial valuation and does not have an immediate cash flow impact i.e. it is not an asset that can be immediately drawn down or a liability that must be settled immediately. The charity continually monitors the situation with regard to defined benefit pension schemes generally and as this is a Local Government Pension Scheme the charity will be guided by government decisions on the future of such schemes.

Reserves policy

The Board review the reserve policy on a regular basis to ensure that reserves are maintained at a level that is consistent with the group having sufficient funds to operate at its planned activity levels taking into account the various financial risk factors that have been identified. It is a target that the group will operate with reserves at a level that equates to between one and three months of operating costs plus the net book value of fixed assets funded out of reserves. This will range between approximately £800,000 and £2,300,000.

Reserves held at the year end (excluding fixed assets) were 2,140,088 so within the range as detailed above.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is espoused and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Active Luton holds a current risk register which is fully rewritten annually by the senior executive team and then approved at Board Level. This risk register scores the level of risk and the top 10 risks are allocated to the management team as owners who ensure the risks are mitigated with the scoring up-dated quarterly.

By diversifying services and activities Active Luton has significantly reduced its dependency on the London Luton Airport donation in recent years, but this is always a high risk that is managed and monitored. The capacity to ensure the management and staffing is sufficient to effectively run the charity is also considered a risk with management time ensuring improvements are made in this area.

The charity has a comprehensive Business Continuity Plan which is up-dated annually.

Future plans

The group continues to focus on diversifying income streams whilst also controlling its expenditure and, at the same time, maintaining the quality and level of services that the community receives.

This year we focused on extending our reach into the community, developing and growing programmes in a range of community settings. We will continue to progress with this area of our work, focusing on hard to reach and 'at risk' groups who are currently inactive. Through this approach we will seek to improve their physical, mental and emotional wellbeing.

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REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRATEGIC REPORT

Financial review

Future developments for the coming year will involve work in the following areas:

- Your Pool – a Sport England-funded programme to improve community awareness of the relevance and availability of swimming and water-based activity across Luton and so increasing participation
- Developing and sustaining partnerships working with the many health organisations across the town to continue the development and diversification of programmes focussing on physical, mental and emotional wellbeing through our Health and Wellbeing and Outreach and Community teams
- Increased participation by targeted groups, including girls/women, older people, people with disabilities and pre-school children,
- Further developing the work of the Active Education team, linking school-based curriculum work to learning outside the classroom and the development of Dell Farm Outdoor Education Centre.

Across all areas of work we will maintain our focus on improving the quality of service provided to customers & developing high performance operations teams. Risk management will also continue to be a priority.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The group is controlled by the parent's governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The parent is a charitable company limited by guarantee, incorporated on 20th May 2005 and registered as a charity on 25th October 2005. The parent company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the parent charitable company being wound up members are required to contribute an amount not exceeding £1. This liability remains for one year after ceasing to be a member in respect of debts incurred whilst a member.

Recruitment and appointment of new trustees

The Chairman and Chief Executive are responsible for the identification of potential new trustees and their subsequent nomination for appointment. They seek to ensure that the Board has representation from a broad range of interests and skills. During the year the Board has reviewed its composition and new trustees have been identified and recruited to broaden the skills base, this is a continuing process. The Trustees are encouraged to increase their involvement through participation in the various sub-committees.

The Board are responsible for appointing new trustees. The Secretary maintains a register of financial and personal interests of the trustees.

Organisational structure

The Board of trustees shall, according to the Memorandum of Association, ideally consist of at least sixteen and no more than twenty individuals all of which are required to become members of the company.

The Board of trustees meet quarterly. The sub-committee also meet on a quarterly basis, and report to the Board of trustees:

- Finance, Resources & Audit and Risk
- Marketing & Communications
- Participation

Formal agendas, papers and reports are supplied to trustees in a timely manner prior to meetings. Full minutes of all meetings are produced and circulated to trustees.

The Board delegate the day to day operation of the charity to the Executive Management Team consisting of the following officers:

- Chief Executive
- Finance & Resources Director and Company Secretary
- Group Operations Manager
- Active Education Manager
- Marketing Manager
- Health & Wellbeing Manager
- Resources Manager

The Executive Management team meet quarterly and produce minutes of meetings as a tool for monitoring progress on key areas of operations.

Active Luton Enterprises Limited, the wholly owned subsidiary, conducts the trading activities of the charity. All its profits are donated to the charity.

Induction and training of new trustees

Training is provided as soon as practicable after appointment including visits to facilities and meetings with key management personnel. Trustees are encouraged to attend training events which facilitate the undertaking of their role. Briefings are also provided on an ad hoc basis.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The following organisations represent the group's related parties:

London Luton Airport Limited provide a donation which represents approximately 17% of total income.

Luton Borough Council provides some support services and nominates three trustees.

Local Government Pension Scheme providing retirement benefits to the charity's employees.

Charles Whitney Limited, a company under the control of a trustee providing marketing and communication services to the charity.

Pictons Solicitors: a company where a trustee is a partner.

Public Benefit

The trustees of the group have considered the Charity Commission's guidance on public benefit.

There are two main principles of Public Benefit:

- 1) There must be an identifiable benefit or benefits;
- 2) The benefit must be to the public or section of the public.

Within each there are sub principles:

- a) It must be clear what the benefits are,
- b) The benefits must be related to the aims,
- c) Benefits must be balanced against any detriment or harm,
- d) The beneficiaries must be appropriate to the aims,
- e) And, where the benefit is to a section of the public the opportunity to the benefit must not be unreasonably restricted.

Each of the objectives of the group are for the public benefit and the charity continues to achieve its objectives as demonstrated through the increased utilisation of the services provided by each facility as well as increased outreach programmes.

Activities provided include support for the community through:

- Programmes supporting physical, mental and emotional and wellbeing such as Exercise Referral, Macmillan Move More Luton, Stoke and Cardiac Rehabilitation,
- ME TIME, a Sport England funded project aimed at increasing participation among women,
- Employment programmes with partner organisations such as Luton Adult Community Learning and the Princes Trust,
- Programmes for disabled people, including No Limits,
- Working extensively with schools to help achieve the objectives associated with the PE Premium funding as well as supporting the provision high quality PE and school sport within and beyond the National Curriculum.

The charity also demonstrated increased activity in support of specific targeted groups such as women, ethnic minorities and the disabled.

The charity gives consideration to the affordability and accessibility of the services it provides through offering concessionary prices for those on low incomes.

Further details of achievements in these areas are highlighted within the achievements and performance for 2016/17.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Active Luton for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, FKCA Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:


.....
C Mayes - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LUTON

We have audited the financial statements of Active Luton for the year ended 31 March 2017 on pages seventeen to thirty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page fourteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

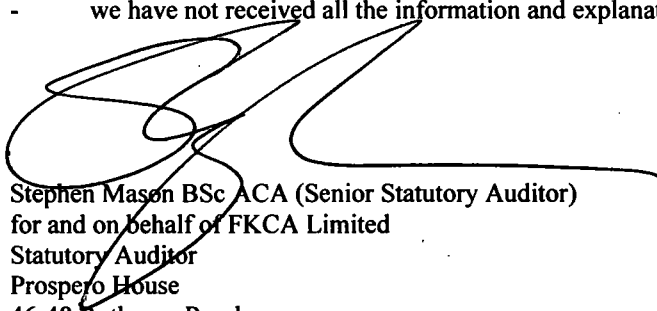
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE LUTON**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Mason BSc ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Date: 14/6/2017

ACTIVE LUTON

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 MARCH 2017

		Unrestricted funds £	Designated fund - Pension £	Restricted fund £	2017 Total funds £	2016 Total funds £
Notes						
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	2,063,907	-	746,829	2,810,736	3,015,852
Charitable activities	5	5,658,905	-	166,036	5,824,941	5,682,253
Other trading activities	3	858,227	-	-	858,227	803,912
Investment income	4	25,871	-	-	25,871	32,799
Total		8,606,910	-	912,865	9,519,775	9,534,816
EXPENDITURE ON						
Raising funds	6	643,924	-	-	643,924	653,814
Charitable activities	7	7,731,008	-	950,797	8,681,805	8,506,380
Other – pension gain		-	107,000	-	107,000	156,000
Total		8,374,932	107,000	950,797	9,432,729	9,316,193
NET INCOME/(EXPENDITURE) EXCLUDING PENSION EXPERIENCE LOSS ON ASSETS		231,978	(107,000)	(37,932)	87,046	218,622
Pension – experience loss on assets		-	(201,000)	-	(201,000)	(348,000)
NET INCOME/(EXPENDITURE)		231,978	(308,000)	(37,932)	(113,954)	(129,378)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(856,000)	-	(856,000)	2,155,000
Net movement in funds		231,978	(1,164,000)	(37,932)	(969,954)	2,025,622
RECONCILIATION OF FUNDS						
Total funds brought forward		2,747,157	(1,437,000)	250,741	1,560,898	(464,724)
TOTAL FUNDS CARRIED FORWARD		2,979,135	(2,601,000)	212,809	590,944	1,560,898

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

ACTIVE LUTON
CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2017

		Unrestricted funds £	Designated fund - Pension £	Restricted fund £	2017 Total funds £	2016 Total funds £
	Notes					
FIXED ASSETS						
Tangible assets	14	726,238	-	-	726,238	853,249
CURRENT ASSETS						
Stocks	15	50,622	-	-	50,622	44,347
Debtors	16	495,232	-	-	495,232	508,761
Cash at bank and in hand		<u>3,400,172</u>	<u>-</u>	<u>406,296</u>	<u>3,806,468</u>	<u>3,597,555</u>
		3,946,026	-	406,296	4,352,322	4,150,663
CREDITORS						
Amounts falling due within one year	17	(1,290,014)	-	(193,487)	(1,483,501)	(1,601,114)
NET CURRENT ASSETS		<u>2,656,012</u>	<u>-</u>	<u>212,809</u>	<u>2,868,821</u>	<u>2,549,549</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,382,250	-	212,809	3,595,059	3,402,798
CREDITORS						
Amounts falling due after more than one year	18	(303,115)	-	-	(303,115)	(329,900)
PROVISION FOR LIABILITIES	21	(100,000)			(100,000)	(75,000)
PENSION LIABILITY	23	-	(2,601,000)	-	(2,601,000)	(1,437,000)
NET ASSETS/(LIABILITIES)		<u>2,979,135</u>	<u>(2,601,000)</u>	<u>212,809</u>	<u>590,944</u>	<u>1,560,898</u>
FUNDS	22					
Unrestricted funds:						
General fund					3,079,135	2,772,157
Designated fund - Pension					(2,601,000)	(1,437,000)
Designated fund - Future capital expenditure					-	50,000
Designated fund - Sinking fund					<u>(100,000)</u>	<u>(75,000)</u>
					378,135	1,310,157
Restricted funds:						
Restricted fund					<u>212,809</u>	<u>250,741</u>
TOTAL FUNDS					<u>590,944</u>	<u>1,560,898</u>

The notes form part of these financial statements

ACTIVE LUTON
CONSOLIDATED BALANCE SHEET - CONTINUED
AT 31 MARCH 2017

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
C M Mayes -Trustee

.....
A Cook -Trustee

The notes form part of these financial statements

ACTIVE LUTON
CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2017

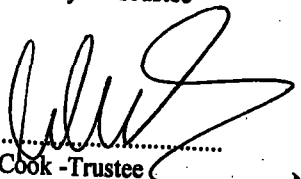
		Unrestricted funds £	Designated fund - Pension £	Restricted fund £	2017 Total funds £	2016 Total funds £
	Notes					
FIXED ASSETS						
Tangible assets	14	679,690	-	-	679,690	797,181
CURRENT ASSETS						
Stocks	15	910	-	-	910	839
Debtors	16	577,244	-	-	577,244	578,417
Cash at bank and in hand		<u>3,389,521</u>	<u>-</u>	<u>406,296</u>	<u>3,795,817</u>	<u>3,584,727</u>
		3,967,675	-	406,296	4,373,971	4,163,983
CREDITORS						
Amounts falling due within one year	17	<u>(1,261,379)</u>	<u>-</u>	<u>(193,487)</u>	<u>(1,454,866)</u>	<u>(1,551,366)</u>
NET CURRENT ASSETS		<u>2,706,296</u>	<u>-</u>	<u>212,809</u>	<u>2,919,105</u>	<u>2,612,617</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,285,986	-	212,809	3,498,795	3,409,798
CREDITORS						
Amounts falling due after more than one year	18	(303,115)	-	-	(303,115)	(329,900)
PROVISION FOR LIABILITIES	21	(100,000)			(100,000)	(75,000)
PENSION LIABILITY	23	-	(2,601,000)	-	(2,601,000)	(1,437,000)
NET ASSETS/(LIABILITIES)		<u>2,982,871</u>	<u>(2,601,000)</u>	<u>212,809</u>	<u>594,680</u>	<u>1,567,898</u>
FUNDS	22					
Unrestricted funds:						
General fund					3,082,871	2,779,157
Designated fund - Pension					(2,601,000)	(1,437,000)
Designated fund - Future capital expenditure					-	50,000
Sinking fund					<u>(100,000)</u>	<u>(75,000)</u>
					381,871	1,317,157
Restricted funds:						
Restricted fund					<u>212,809</u>	<u>250,741</u>
TOTAL FUNDS					<u>594,680</u>	<u>1,567,898</u>

The notes form part of these financial statements

ACTIVE LUTON
CONSOLIDATED BALANCE SHEET - CONTINUED
AT 31 MARCH 2017

The financial statements were approved by the Board of Trustees on 12/12/2017 and were signed on its behalf by:


.....
Mr C M Mayes -Trustee


.....
Mr A Cook -Trustee

The notes form part of these financial statements

ACTIVE LUTON

**CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	333,315	321,282
Interest paid		(27,630)	(28,520)
Tax paid		<u>684</u>	<u>-</u>
Net cash provided by (used in) operating activities		<u>306,369</u>	<u>292,762</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(96,542)	(13,330)
Interest received		<u>25,871</u>	<u>32,799</u>
Net cash provided by (used in) investing activities		<u>(70,671)</u>	<u>19,469</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(26,785)</u>	<u>(25,657)</u>
Net cash provided by (used in) financing activities		<u>(26,785)</u>	<u>(25,657)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		208,913	286,574
Cash and cash equivalents at the beginning of the reporting period		<u>3,597,555</u>	<u>3,310,981</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,806,468</u></u>	<u><u>3,597,555</u></u>

The notes form part of these financial statements

ACTIVE LUTON**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2017****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(969,954)	2,025,622
Adjustments for:		
Depreciation charges	214,035	216,601
Interest received	(25,871)	(32,799)
Interest paid	27,630	28,520
(Increase)/decrease in stocks	(6,275)	25,539
Decrease/(increase) in debtors	13,530	(299,365)
(Decrease)/increase in creditors	117,220	8,164
Difference between pension charge and cash contributions	<u>963,000</u>	<u>(1,651,000)</u>
Net cash provided by (used in) operating activities	<u>333,315</u>	<u>321,282</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 MARCH 2017

1. ACCOUNTING POLICIES

Basis of preparation and consolidation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There are material uncertainties which affect the ability of the charity to continue as a going concern.

These financial statements consolidate the results of the charity and its wholly owned subsidiary Active Luton Enterprises Limited on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable expenditure comprises of those costs incurred by the group in the delivery of its activities and services for the beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature to support them.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Allocation and apportionment of costs

Overhead and Support Costs have been allocated between Charitable Activities and Governance Costs. Costs which are not wholly attributable to an expenditure category have been apportioned based on the activity to which they relate.

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property improvement	- 10% on cost
Plant and machinery	- 33% on cost and 20% on cost
Fixtures and fittings	- 33% on cost

Costs incurred in replacing tangible fixed assets leased from Luton Borough Council under the terms of an operating agreement are taken to the income and expenditure account each year as the ownership of those assets is not retained.

Tangible fixed assets costing more than £500 are capitalised and included at historical cost in the financial statements.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds have been set aside out of general funds as shown in the notes to the financial statements. The current designated fund is the provision towards the replacement of the 4G pitch at the Lea Manor Site. This was initially funded by the Football Federation with the liability to maintain handed over to Active Luton. A new surface is expected to be needed in 7 years. Currently £100k is provided.

Further explanation of the principle funding sources is included in the trustees report.

Pension costs and other post-retirement benefits

The company operates a defined benefit pension scheme. The regular pension cost is charged to the statement of financial activities and is based on the expected pension costs over the service life of employees.

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Grants/Donations	<u>2,810,736</u>	<u>3,015,852</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

3. OTHER TRADING ACTIVITIES

The wholly owned trading subsidiary Active Luton Enterprises Limited (company number 05509883), which is incorporated in the United Kingdom (registered office Wigmore Hall, Eaton Green Road, Luton, Bedfordshire, LU2 9JB), donates all of its profits to the charity by gift aid. Active Luton Enterprises Limited operates the bars and catering facilities at Active Luton's centres. The charity owns the entire issued share capital of ordinary shares of £1 each. A summary of the trading results is shown below.

Any profits are gifted to Active Luton.

	2017	2016
	£	£
Turnover	858,227	803,912
Cost of sales & administration costs	<u>(643,994)</u>	<u>(651,025)</u>
	<u>214,233</u>	<u>152,887</u>
The assets and liabilities of the subsidiary were:		
Fixed Assets	46,550	56,069
Current Assets	87,439	95,291
Current liabilities	<u>(137,725)</u>	<u>(154,490)</u>
	<u>(3,736)</u>	<u>(3,130)</u>
Aggregate share capital & reserves	(3,736)	(3,130)

4. INVESTMENT INCOME

	2017	2016
	£	£
Deposit account interest	<u>25,871</u>	<u>32,799</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2017	2016
		£	£
Use of sports facilities	Charitable activities	4,190,189	4,051,500
Coaching and education	Charitable activities	1,292,636	1,264,553
Miscellaneous	Charitable activities	<u>342,116</u>	<u>366,200</u>
		<u>5,824,941</u>	<u>5,682,253</u>

6. RAISING FUNDS

Other trading activities

	2017	2016
	£	£
Commercial trading operations	<u>643,924</u>	<u>653,814</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2017

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Grant funding of activities (See note 9)	Support costs (See note 10)	Totals
	£	£	£	£
Charitable activities	<u>8,325,376</u>	<u>285,012</u>	<u>71,417</u>	<u>8,681,805</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017 £	2016 £
Staff costs	5,154,434	5,261,510
Rent, rates, heat & light	693,590	777,119
Insurance	125,567	114,531
Telephone	39,767	47,663
Postage and stationery	15,875	25,064
Advertising	100,011	135,981
Sundries	204,967	197,035
Other staff costs	121,609	90,564
Motor & travelling	60,238	58,472
Repairs & maintenance	579,055	669,242
Computer costs	42,138	85,935
Hire of equipment	146,773	168,244
Licenses & subscriptions	38,500	77,207
Project specific expenses	31,676	31,605
Subcontractor costs	199,591	253,149
Professional fees	15,740	10,756
Purchase of equipment	146,478	-
Depreciation	214,035	209,550
Interest payable and similar charges	<u>395,332</u>	<u>346,935</u>
	<u>8,325,376</u>	<u>8,560,562</u>

9. GRANTS PAYABLE

	2017 £	2016 £
Charitable activities	<u>285,012</u>	<u>235,054</u>
Grants to Institutions		
	2017 £	2016 £
Sports Coaching	<u>206,727</u>	<u>235,054</u>
	<u>206,727</u>	<u>235,054</u>

10. SUPPORT COSTS

	Governance costs £
Charitable activities	<u>71,417</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£	£
Auditors' remuneration	10,000	10,000
Auditors' remuneration for non-audit work	2,500	2,500
Depreciation - owned assets	<u>223,553</u>	<u>209,549</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

13. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	4,361,428	4,221,494
Social security costs	284,933	214,534
Other pension costs	<u>508,073</u>	<u>477,482</u>
	<u>5,154,434</u>	<u>4,913,510</u>

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

	2017	2016
Voluntary Income Generation	39	40
Activities for Generating Funds	11	11
Charitable Activities	<u>134</u>	<u>130</u>
	<u>184</u>	<u>181</u>

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

	2017	2016
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

This employee is a member of the defined benefit scheme.

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2017

14. GROUP TANGIBLE FIXED ASSETS

	Leasehold property improvement £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2016	1,799,751	933,512	69,517	2,802,780
Additions	<u>42,370</u>	<u>48,088</u>	<u>6,084</u>	<u>96,542</u>
At 31 March 2017	<u>1,842,121</u>	<u>981,600</u>	<u>75,601</u>	<u>2,899,322</u>
DEPRECIATION				
At 1 April 2016	1,006,552	873,462	69,517	1,949,531
Charge for year	<u>165,045</u>	<u>54,339</u>	<u>4,169</u>	<u>223,553</u>
At 31 March 2017	<u>1,171,597</u>	<u>927,801</u>	<u>73,686</u>	<u>2,173,084</u>
NET BOOK VALUE				
At 31 March 2017	<u>670,524</u>	<u>53,799</u>	<u>1,915</u>	<u>726,238</u>
At 31 March 2016	<u>793,199</u>	<u>60,050</u>	<u>-</u>	<u>853,249</u>

CHARITABLE TANGIBLE FIXED ASSETS

	Leasehold property improvement £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2016	1,732,534	880,004	47,727	2,660,265
Additions	<u>42,370</u>	<u>54,172</u>	<u>-</u>	<u>96,542</u>
At 31 March 2017	<u>1,774,904</u>	<u>934,177</u>	<u>47,727</u>	<u>2,756,808</u>
DEPRECIATION				
At 1 April 2016	983,558	831,799	47,727	1,863,084
Charge for year	<u>159,655</u>	<u>54,379</u>	<u>-</u>	<u>214,034</u>
At 31 March 2017	<u>1,143,213</u>	<u>886,178</u>	<u>47,727</u>	<u>2,077,118</u>
NET BOOK VALUE				
At 31 March 2017	<u>631,691</u>	<u>47,999</u>	<u>-</u>	<u>679,690</u>
At 31 March 2016	<u>748,976</u>	<u>48,206</u>	<u>-</u>	<u>797,181</u>

15. STOCKS

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Stock	<u>50,622</u>	<u>910</u>	<u>44,347</u>	<u>839</u>
	<u>50,622</u>	<u>910</u>	<u>44,347</u>	<u>839</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Trade debtors	229,663	212,186	328,589	289,633
Other debtors	14,014	4,415	113,808	113,808
Prepayments & accrued income	251,555	251,555	66,364	66,364
Amounts due from group undertakings	-	109,088	-	108,613
	<u>495,232</u>	<u>577,244</u>	<u>508,761</u>	<u>578,418</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Trade creditors	169,133	155,182	347,422	315,879
Social security and other taxes	83,148	83,148	77,552	77,552
VAT	11,511	11,511	16,935	16,906
Other creditors	25,149	24,465	70,832	67,786
Pension control account	68,010	68,010	60,658	60,658
Accruals and deferred income	1,100,893	1,086,893	1,077,058	1,061,929
Bank loans	25,657	25,657	25,657	25,657
	<u>1,483,501</u>	<u>1,454,866</u>	<u>1,676,114</u>	<u>1,626,367</u>

DEFERRED INCOME

	Grant Income £	Activity Income £
Deferred Income brought forward at 1 April 2016	231,815	174,161
Incoming resources deferred in the current year	42,728	177,578
Amounts released from previous years	<u>(231,815)</u>	<u>(174,161)</u>
Deferred Income carried forward at 31 March 2017	<u>42,728</u>	<u>177,578</u>

Grant income is deferred as the charity is not entitled to the income until certain conditions are met.

Activity income is deferred as the charity is not entitled to the income until the activity is provided.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Other Loans	303,115	303,115	329,900	329,900
	<u>303,115</u>	<u>303,115</u>	<u>329,900</u>	<u>329,900</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

19. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank loans	<u>25,657</u>	<u>25,657</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>25,657</u>	<u>25,657</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>76,971</u>	<u>76,971</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>200,487</u>	<u>227,272</u>

A loan of £900,000 from the Co-Operative Bank plc was obtained to part fund the development at Lewsey Sports Park. This is a 15-year loan guaranteed by Luton Borough Council, is repayable by instalments and has an interest rate of 2.5% over the bank's published base rate.

20. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loans	<u>328,772</u>	<u>355,557</u>

21. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Sinking fund provision	<u>100,000</u>	<u>75,000</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

22. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
General fund	2,772,157	256,978	50,000	3,079,135
Designated fund - Pension	(1,437,000)	(1,164,000)	-	(2,601,000)
Designated fund - Future capital expenditure	50,000	-	(50,000)	-
Designated fund - Sinking fund	(75,000)	(25,000)	-	(100,000)
	<u>1,310,157</u>	<u>(932,022)</u>	<u>-</u>	<u>378,135</u>
Restricted funds				
Restricted fund	250,741	(37,932)	-	212,809
	<u>250,741</u>	<u>(37,932)</u>	<u>-</u>	<u>212,809</u>
TOTAL FUNDS	<u>1,560,898</u>	<u>(969,954)</u>	<u>-</u>	<u>590,944</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,606,910	(8,349,932)	256,978
Designated fund - Pension	-	(1,164,000)	(1,164,000)
Designated fund - Sinking fund	-	(25,000)	(25,000)
	<u>8,606,910</u>	<u>(9,538,932)</u>	<u>(932,022)</u>
Restricted funds			
Restricted fund	912,865	(950,797)	(37,932)
	<u>912,865</u>	<u>(950,797)</u>	<u>(37,932)</u>
TOTAL FUNDS	<u>9,519,775</u>	<u>(10,489,729)</u>	<u>(969,954)</u>

23. PENSION COMMITMENTS

The company operates a defined benefits scheme in the UK. An actuarial valuation for the purposes of Financial Reporting Standard 102 was carried out at 31 March 2017 by a qualified independent actuary. The major assumptions used by the actuary were:

	2017	2016
Rate of increases in salaries	2.2%	3.2%
Rate of increases in pension payments	2.4%	2.2%
Discount rate for scheme liabilities	2.8%	3.6%
Inflation assumption	3.4%	3.2%

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2017

23. PENSION COMMITMENTS
- continued

The assets of the scheme and expected rate of return

	Long term rate of return expected 2017	Value 2017 £'000	Long term rate of return expected 2016	Value 2016 £'000
Equities	2.8%	7,869	3.6%	7,671
Bonds	2.8%	2,071	3.6%	2,176
Property	2.8%	1,243	3.6%	1,260
Cash	2.8%	<u>2,623</u>	3.6%	<u>343</u>
Total market value of assets		13,806		11,450
Present value of scheme liabilities		<u>(17,859)</u>		<u>(14,339)</u>
Surplus / (deficit) in scheme		<u>(4,053)</u>		<u>(2,889)</u>
Net pension liability		<u><u>(4,053)</u></u>		<u><u>(2,889)</u></u>

Analysis of the amount charged to charitable activities

	2017 £	2016 £
Current service cost	<u>730,000</u>	<u>837,000</u>
	<u><u>730,000</u></u>	<u><u>837,000</u></u>

Analysis of the amount shown in other incoming resources:

	2017 £	2016 £
Expected return on pension scheme assets	422,000	365,000
Interest on pension scheme liabilities	(529,000)	(521,000)
Losses on Curtailments and Settlements	<u>(16,000)</u>	<u>-</u>
Net (cost)/return	<u><u>(123,000)</u></u>	<u><u>(156,000)</u></u>

Analysis of the amount recognised in statement of financial activities

	2017 £	2016 £
Actual return less expected return on pension scheme assets	1,382,000	(260,000)
Changes in financial assumptions underlying the present value of scheme liabilities	<u>(2,238,000)</u>	<u>2,415,000</u>
Actuarial loss gain / (loss) recognised	<u><u>(856,000)</u></u>	<u><u>2,155,000</u></u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2017

23. PENSION COMMITMENTS - continued

Movement in deficit during the year

	2017	2016
	£	£
Surplus / (deficit) at beginning of the year	(2,889,000)	(4,540,000)
Total service cost	(746,000)	(837,000)
Employer contributions	545,000	489,000
Net return on assets	(107,000)	(156,000)
Actuarial gain / (loss)	<u>(856,000)</u>	<u>2,155,000</u>
Deficit in scheme	<u>(4,053,000)</u>	<u>(2,889,000)</u>
Attributable to Luton Borough Council	(1,452,000)	(1,452,000)
Attributable to Active Luton	<u>(2,601,000)</u>	<u>(1,437,000)</u>
	<u>(4,053,000)</u>	<u>(2,889,000)</u>

History of experience gains and losses

	2017	2016
Difference between the expected and actual return on assets	107,000	156,000
Percentage of scheme assets	0.8%	0.1%
Experience gains/(losses) on liabilities	945,000	108,000
Percentage of the present value of liabilities	5.291%	0.008%
Actuarial gain/(loss) recognised	(856,000)	2,155,000
Percentage of the present value of liabilities	4.8%	15.0%

The deficit in the scheme at the date of transfer amounting to £1,452,000 is a liability that has been honoured by Luton Borough Council, in the trustees' opinion, on the basis that it was agreed that all scheme liabilities at date of transfer were represented by assets to the same value.

Luton Borough Council guarantees the following:

- 1) The charity's obligations to make payments of contributions
- 2) Bedfordshire County Council's costs in enforcing the guarantee

24. RELATED PARTY DISCLOSURES

At the year end, Active Luton was owed £109,088 from its trading subsidiary (2016: £95,504), Active Luton Enterprises Limited. The balance is repayable on demand and non-interest bearing.

During the year the charity was invoiced £26,679 (2016: £20,440) by Charles Whitney, a company where control can be influenced by M McNerney who is a trustee of Active Luton.

During the year the charity was invoiced £2,635 (2016: £7,908) by Pictons Solicitors, a company where control can be influenced by S Rooney who is a trustee of Active Luton.

25. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The charitable company is controlled by the board of trustees.