

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2018
FOR
ACTIVE LUTON**

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

ACTIVE LUTON

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 MARCH 2018**

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 14
Report of the Independent Auditors	15 to 16
Statement of Financial Activities	17
Consolidated Balance Sheet	18 to 19
Charitable Company Balance Sheet	20 to 21
Cash Flow Statement	22
Notes to the Cash Flow Statement	23
Notes to the Financial Statements	24 to 35
Detailed Statement of Financial Activities	36 to 37

ACTIVE LUTON

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2018

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)(resigned - 12 April 2018)
Colin Michael Mayes (Vice Chairman)
Margaret Anne McNerney (resigned - 24 January 2018)
Clive Anthony Robins
Patricia Anne Wilson
Jonathan David Williets
Mark Lawrence Cattle
Gareth Jones (resigned - 18 October 2017)
Siobhan Rooney (resigned - 18 April 2018)
Mohammed Kabir
Celia Robb (resigned - 18 October 2017)
Paul Seath

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 2018**

Pictons Solicitors LLP
28 Dunstable Road
Luton
Bedfordshire
LU1 1DY

Bankers

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

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

NatWest Market Hill
31 George Street
Luton
LU1 2YN

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

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 2018. 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 Company has been established to:

- Provide or assist in the provision of facilities and services for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services;
- Promote community participation in healthy recreation;
- Advance the education of the public of the benefit of active lifestyle and in particular the value of physical activity for young people as part of the school curriculum;
- Such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

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.

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 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Leisure Centres

This year saw significant investment in our leisure centres to ensure that they remain competitive and inclusive, offering leading technology and equipment for everyone in Luton to enjoy - whatever their age, ability or income.

We offer a wide range of access and price points from direct debit memberships for those taking part in lots of regular activities, swim-only memberships to our pay as you go and 'Go4Less' discount card rates and concessionary rates at only £2 per visit.

Investment this year:

£230,000 gym re-fit at Inspire: Luton Sports Village, including installation of the Life Fitness digital platform, an exciting and inclusive Octagon functional fitness frame and fully adaptable cardiovascular and mobile strength equipment.

£30,000 refurbishment of the spinning studio at Lewsey Sports Park with 22 new bikes and interactive lighting.

£46,000 investment in the group fitness studio at Lewsey Sports Park doubling the capacity of classes to 30 and providing for 5 more classes per week.

£160,000 gym re-fit at Lea Manor Recreation Centre, also featuring the Life Fitness platform and adaptable cardiovascular, strength, functional and mobile equipment.

£32,000 gym re-fit at Stockwood Park Athletics Centre, including Pullman high performance free weights and lifting racks and Life Fitness cardiovascular equipment.

During 2017-18 Active Luton reached:

- Over 1,400,000 people who visited our centres
- Over 25,000 people who had Go4Less cards
- Over 1,600 people who took advantage of concessionary rates
- Over 4,500 people who took out a membership
- Over 850,000 who visited our website
- Over 9,500 of you who liked us on Facebook
- Over 27,500 people with a disability who used our centres

Investment in Aquatic Activity

Sport England, thanks to the National Lottery, chose Luton as one of 12 places across England to receive funding for a pilot project to encourage more people to use their local swimming pools as part of its strategy to target inactivity and improve customer experience.

£292,000 was awarded to Active Luton by Sport England for its 'Your Pool' improvement programme which included:

- Refurbishment of changing rooms, toilets and the swimming pool viewing gallery at Lea Manor Recreation Centre
- Installation of towel holders, hooks and benches on all pool sides
- A change to coin return lockers in changing rooms
- 'Swim Champions' working at centres and in the community to encourage people to try swimming and aqua classes
- Free use of Swim Tag training aids
- Longer opening hours - particularly at weekends
- Innovative new sessions including Aqua Yoga and Hydra Health rehabilitation
- More of the most popular sessions requested by customers including family sessions, lane swimming and Aqua Fit classes
- Free swims for everyone in Luton - plus a 5 for £5 swimming card
- New 'Gladiator' inflatable sessions at Inspire: Luton Sports Village

During the year, we taught over 15,000 children to swim and dive and logged over 89,000 adult swims. We also gave out nearly 7,000 free swims and attracted over 500 more new swimmers from BAME backgrounds than the previous year.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Early Years Activities

Active Luton is committed to getting Luton active early in life to create good habits and a lifelong love of physical activity by all members of the family. We have activities for pregnant women, for parents with small babies, through to dedicated activities and membership offers for under 18s.

Last year we engaged over 27,000 babies and children under 5 in activities and over 186,000 young people aged from 5 to 19.

Our Me Time Family programme engaged 1,442 people in activities ranging from aqua natal, Fit to Push, Baby Yoga and Baby Massage and Legs, Bums and Bring Your Tots.

Active Education

The Active Education Schools team is committed to supporting schools in Luton to achieve their own, and nationally-led, physical education, sport, health and wellbeing outcomes.

The team achievements in 2017/18 included:

- Helping 88% of schools to achieve the School Games kite mark - a national award showing their commitment to providing a robust PE, school sport and health programme
- Reaching over 800 teachers and other people working in schools through its professional development courses
- Gaining a 100% satisfaction feedback from its courses regarding the quality of delivery and potential impact on pupil outcomes and future practice

The team also approved over 3,500 school visits via the on-line approval system and as result 150,000 children enjoyed learning outside the classroom. 172 young leaders from secondary schools were also involved in supporting primary school sports competitions.

Dell Farm Education Centre

Dell Farm is an inspirational education centre situated in Whipsnade which includes a working farm. The centre delivers outdoor learning experiences through residential and day programmes and holiday activities.

The rich learning opportunities help primary school age children to build self- confidence, resilience and self- esteem, all of which are important for positive behaviours and improving attitudes to learning.

During 2017/18 over 2,800 children enjoyed day visits to Dell Farm and over 1,200 children took part in residential visits. Another 8,500 individuals took part in activities or used the centre.

Community and Outreach Activities

Our Communities team continued its work reaching out into 'hard to reach' communities across Luton to bridge the gap between community and centre-based activities and broaden the range and accessibility of opportunities Active Luton offers to get Luton more active.

The National Charity Partnership 'Let's Do This' programme of Health Walks in Luton finished in December 2017. Over 1,700 people signed up for the free Health Walks and also received a 10 for £10 activity voucher. We also trained 31 walk leaders. The 'Let's Do This' Walk, Jog, Run programme from March to December 2017 involved 393 people across 3 weekly sessions. We also trained 3 'Leaders in Running Fitness'.

Our Me Time, community-based women's activity programme received a further £72,000 funding from Sport England to extend the programme for a fourth year. Over 1,800 women joined Me Time during 2017 and over 60 qualifications were gained to teach, lead or volunteer. One volunteer is now employed by our Communities Team.

During March to June 2017, over 100 people were given free Go4Less cards and 10 for £10 activity vouchers as part of our commitment to the No Limits inclusive sports programme for people with disabilities.

Active Training and Development

Our Active Training and Development team works across Luton to increase opportunities for employment and volunteering through apprenticeships and a wide variety of training courses. During 2017/18, 31 apprentices gained full time employment with Active Luton and in the wider community.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our Training team is a Quality Assured Training Centre to deliver qualifications accredited by Ofqual, the Amateur Swimming Association, the Institute of Qualified Lifeguards, The Royal Lifesaving Society UK (RLSS), Active IQ, Luton Adult Learning and The Prince's Trust. 2,800 people took part in our external training courses, gaining accredited and non-accredited qualifications - 37% of people on our courses were from BAME origins.

As a partner in the Luton Swimming Teacher Development Programme, alongside The Swimming Trust and Swim England, our Training team also worked with local people to help improve community provision of swimming lessons. 20 candidates achieved a Level 1 Swimming Assistant qualification and another 12 achieved a Level 2 Swimming Teacher qualification.

Work also started on the Community Led Local Development Workforce Coaching and Leadership programme - branded 'Link' and funded by the EU European Social Fund.

The objectives of the programme are to break down barriers to employment among specific groups including women, people over 50 and people with mental or physical health problems. Five local people gained qualifications that led to employment with Active Luton within the first three months of the project starting in January 2018.

Health and Wellbeing Team

Our growing Health and Wellbeing team introduced new programmes during 2017/18 to further extend the breadth of its services. The new 'Power Our Minds' (POM) programme supported people with emotional health problems, helping them to become more physically and socially active and improve their sense of wellbeing.

Towards the end of 2017 the team was also awarded a five-year contract to deliver the Healthy Lifestyles programmes for the new, innovative Integrated Wellbeing Service, Total Wellbeing, across Luton to be launched in April 2018.

During the year, the Health and Wellbeing team helped over 1,120 people with long term conditions get more active and 1,000 previously inactive people become active via our Exercise Referral programme.

The team also supported 185 people living with cancer, 65 people who had suffered a stroke and 180 people living with a respiratory condition to get more active and improve their health and wellbeing.

We also helped 12 young people manage their Cystic Fibrosis, supported 120 people with a heart condition improve their heart health and improved the emotional health of 170 people through physical activity.

Listening to Luton

Active Luton encourages all of its customers to feedback and has several routes available to people. The 'Feedback' tab on our website means that customers can simply click and press send to make their views heard and all of our centres have customer comments cards in public areas.

We listened to over 1,500 of your comments through our formal feedback system last year. Compliments accounted for over 36% of these and complaints were down nearly 10%.

On our social media

Our Facebook page 'Likes' and page views were both up over 10% and 18,365 people engaged with our page liking, sharing or commenting on our posts.

On Twitter, our 'Followers' were up 24%. 'Mentions' of @Active Luton were up 23%.

Instagram followers were up 93% and profile views up 163%.

Team Beds and Luton

Team Beds and Luton (TBL) is one of 44 County Sports Partnerships (CSPs) in England. It provides strategic leadership, together with a broad range of services and opportunities for the sporting and physical activity infrastructure across the three local authorities of Central Bedfordshire, Bedford & Luton.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In response to Sport England's strategy 'Towards an Active Nation', the role of Team Beds and Luton is now much more strategic than delivery-focussed. This has resulted in a restructuring of staffing arrangements during the past year to establish a senior relationship management structure to support the three Local Authorities and our other key strategic partners.

We have worked hard to continue to provide an excellent level of service and support to the sport and physical activity communities of Bedfordshire in the following ways.

Supporting Bedfordshire's Workforce:

Providing a range of education and training opportunities for qualified coaches and volunteers and a range of new opportunities and support for people looking to get involved in the delivery of sport and physical activity.

209 participants attended our coaching courses including First Aid and Safeguarding.

28 women from areas of high deprivation across Bedford with no previous experience of delivering activities were mentored and trained as rounders activators and took part in running fitness courses.

84 young people were trained in young leadership roles across a variety of sports at our School Games Maker Conference.

160 teachers attended and received continuous professional development opportunities at our Primary PE School Sport Conference.

53 teachers attended our 'evidencing impact' and sharing best practice workshops.

We worked in partnership with the social enterprise Oomph! and our local authority partners to secure qualifications and mentoring for 28 volunteers across the county.

Creating and Supporting Community Programmes:

We continued to manage the No Limits disability sport programme.

1,726 participants engaged with 50 different projects across the county last year.

This included the Oomph! programme which provided a low impact physical activity programme for those with cognitive decline. Delivery was supported through a trained and mentored volunteering workforce.

A key focus of the work during this period was to ensure that as many programmes as possible would be sustained and integrated into partner programme offerings once the funded programme came to an end.

A significant amount of work was undertaken to broaden the delivery of Sport England's Satellite Club programme. This work prioritises opportunities for young people aged 14-19, helping them become active, building regular activity habits and supporting those who need physical activity the most. These include, but are not limited to females, young people with disabilities and those from lower socio-economic groups.

We sustained 39 existing clubs with 589 participants. 23% of participants were from BAME groups and 11% had a disability.

The second 6 months of the year saw the launch of the new disability sports programme.

During this period we created 7 new satellite clubs across a range of sports and physical activities, including multi-sport, futsal, cricket, swimming, boxing and functional fitness.

The new clubs have engaged with 135 new, previously irregularly active participants, 44% of which are female and 24% from a BAME group.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our Officer leading on this work conducted (within a master's degree research project) an evaluation of our programme across the county and its impact on participants physical activity levels, wellbeing and behavioural change. The aim of the study was to gather further insight into young people's needs and experiences of our clubs, and to analyse the impact these clubs are having on young people's activity levels and their attitude towards physical activity.

This work has directly influenced the delivery of the programme and the partners we work with and has been shared with and positively acknowledged by Sport England, our national funding partner.

School Sport:

Delivery of the Level 3 County School Games events, including one countywide festival, was successfully completed during the year. These events provided countywide final experience for over 3,000 young people, with the flagship event in Bedford attended by over 1,000 participants, supported by a host of young leaders, key delivery partners and high profile sporting champions.

We continue to collate and disseminate via the CSP Network to national government, intelligence on the use of these funds provided by Primary Schools, together with a support programme for schools requiring help and assistance in the effective use of these funds.

This work was extended during the year to include the new Active Lives Survey for young people. In Luton this work is delivered through Active Education. Our work in this area is further supplemented by the educational and training conference and workshops outlined above.

Inward Investment for Bedfordshire Sport and Physical Activity

We continue to support Local Authorities, Parish Councils, Town Councils and community sports clubs and educational establishments with applications for funding to secure facility and infrastructure improvements.

£330,000 of new investment into Bedfordshire-based projects has been generated during the year as a result of us directly working with clubs, local authorities and funders.

We have also established a Bedfordshire-wide partnership to support applications for investment into the county from the Sport England national funding opportunities pots. This remains a key work strand for us over the coming 12 months.

Supporting our Local Authorities:

The newly established Relationship Management structure is allowing us to get much better at understanding the needs and priorities of our Local Authority Partners. Very simply this involves being an interpreter; navigator; treasure hunter; detective; pirate; tracker and advocator.

Developing these areas of works, within the capacity available to us, will be a key challenge in 2018-19.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

TBL use of Funds

An analysis of the allocation of grants received is outlined below:

Description	Public Funds £	Non Public Funds £	Total £
Income	514.2	164.3	678.5
Expenditure	534.2	237.1	771.3
Deficit	20.0	72.8	92.8
Reserves held with active Luton	N/A	N/A	121.0
Where we spent our funds:			
Staff costs including redundancy	285.8	60.2	346.0
Premises	15.3	-	15.3
Staff Training	-	3.3	3.3
IT telephone and communications including website	1.6	16.2	17.8
Subscriptions and marketing	-	3.2	3.2
Stationary	-	4.0	4.0
Subcontractors	-	46.9	46.9
Financial and legal	-	15.9	15.9
Project delivery - Disability Sport	108.4	0.4	108.8
Project delivery - Primary Premium. Active Lives and CPD	29.0	5.2	34.2
Project delivery - Physical Activity Programmes and supply of coaches	-	60.0	60.0
Project delivery - School Games and Young Leaders Conference	29.0	0.4	29.4
Project delivery - Satellite Clubs	65.1	-	65.1
Project delivery - Training programmes	-	12.3	12.3
Project delivery - Women into Coaching outreach in Bedford	-	9.1	9.1
TOTAL SPEND	534.2	237.1	771.3

FINANCIAL REVIEW

Fundraising activities

This year we have made a deficit from our activities amounting to £836,980 compared to a deficit of £113,954 in the previous financial period. Of this deficit, £598,000 of cost (2016/17: £201,000) relates to the Local Government Pension Scheme (LGPS).

A deficit of £92,611 (2017/18: 37,932) relates to utilisation of restricted funds (TBL) brought forward. This leaves a deficit of £25,369 (2016/17: surplus £231,978) for all other activities.

A £709,000 actuarial gain arising from the requirements of Financial Reporting Standard number 102, results in a total deficit of £127,890. Our net assets of £462,965 shows a decrease compared to the net assets of £590,944 at 31 March 2017.

Incoming resources for 2017/18 have remained fairly constant at £9,546,137 compared to £9,519,775 in 2016/17 with the London Luton Airport Ltd (LLAL) donation remaining at the same level. Increases in attendance across the facilities operated as the charity has sought to improve the quality and quantity of services but income remained fairly constant despite membership income growing significantly. Secondary spend reduced as did some other income areas.

Total resources expended for 2017/18 increased to £9,785,117 compared to £9,432,729 in 2016/17. Increases in the LG employer pension rates were significant as were pay rises under the Luton Borough Council terms and conditions. Other costs were controlled well.

Investment in sites was significant with over £700k being invested. The large part of this was at our gym facilities to support future income growth.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

FINANCIAL REVIEW

Principal funding sources

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

Sport England also provided significant grants to assist in the community outreach work and the Your Pool project.

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 rents 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 adjustments included in the year end results are as part of the review completed by Hymans Robertson. 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 £750,000 and £2,275,000.

Reserves held at the year-end (excluding fixed assets) were £1,843,407 so are comfortably within the target range identified.

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. In the current year the focus of the organisation is to bed down and develop the new Total Wellbeing brand under the 5 year sub-contract from Turning Point, while working on the services complimenting the existing operations. Following some of the previous grant income streams ending in March 2018, under the Me-time and Your Pool programmes the focus is ensuring some of the programmes become self-sustaining offers to the community.

The Groups focus is very much on prevention, early intervention and aiming to improve the physical, mental and emotional wellbeing of the Luton community.

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

- Total Wellbeing - health contract including all health services supported through physical activity including Healthy Lifestyles and Long-Term condition programmes
- Increased participation by targeted groups, including concessionary users, under 5s and older people.
- Building the Your Pool brand to continue to increase swimming participation in Luton
- An increased focus on customer service initiatives to ensure continued attraction of new customers and retention of existing customers
- An aim to increase secondary spend and margins across all outlets by improving the offering,
- An increased focus on PR of all areas of our work
- Development of a capital planning strategy to target income generation and sustainable expansion of services over the next five years

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 continues to be a priority.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Active Luton is a company limited by guarantee incorporated on 20th May 2005, governed by its Articles of Association that were revised 16 January 2018. It is a registered charity with the Charity Commission. 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.

Governance Changes

Active Luton and Sport England have worked through an approved action plan to ensure that ongoing TBL are compliant with all of the requirements of the Tier 3 Governance Code for Sport necessary to receive future funding. This has included:-

- a) a significant restructure of the AL board with new members joining from April 2018.
- b) the rewriting of a number of policies and plans.
- c) the increased disclosure of TBL financial results
- d) planned external review of the board.
- e) rewriting of the induction material for board members.

Recruitment and appointment of new trustees

As set out in the Articles of Association, there shall be at least sixteen and a maximum of eighteen Trustees comprised of:

- Up to three Local Authority Trustees; and
- Up to fifteen Ordinary Trustees
- Provided that at least 25% of the Trustees at any one time shall be Independent Trustees.

Candidates for the office of an Ordinary Trustee shall be appointed by the Board following an open, formal, publicly advertised and transparent selection process by the nominations committee, taking account of the individual's ability, experience and expertise.

Organisation

The board of trustee, which can have up to 18 members, administers the charity. The board normally meets quarterly and there are sub-committees covering TBL: Finance, audit & risk; Marketing; Health & Safety and HR. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Board delegate the day to day operation of the charity to the Directors Leadership Team consisting of the following officers:

- Chief Executive
- Director of Finance & Resources
- Director of Operations
- Director of Education, Training & Development
- Director of Marketing & Business Development
- Director of Community, Health & Wellbeing
- Director: Team Beds & Luton

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 as relevant.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

None of our trustees receive remuneration or other benefit from their work with the charity.

The following organisations represent the group's related parties:

London Luton Airport Limited provide a donation which represents approximately 16% 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 former trustee providing communication services to the charity.

Pictons Solicitors LLP provide business advice. One partner of the firm acted as a former trustee for part of the current year.

Glynis Yates provided educational consultancy and served as a trustee.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed 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 reviewed and approved at Board Level. This risk register scores the level of risk which are then ranked. The top 10 risks are allocated to the management team as owners who ensure the risks are mitigated with 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 other risk of being tied to Local Government Pay conditions is now ranked as high and is a key area for management. A priority risk area has also been to ensure compliance with the new GDPR regulations.

The charity also has a comprehensive Business Continuity Plan.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 2017/18.

ACTIVE LUTON

REPORT OF THE TRUSTEES for the Year Ended 31 MARCH 2018

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 themselves 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.

Approved by order of the board of trustees on 29/10/19 and signed on its behalf by:



J Williets - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LUTON

Opinion

We have audited the financial statements of Active Luton (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 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.

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 2018 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.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

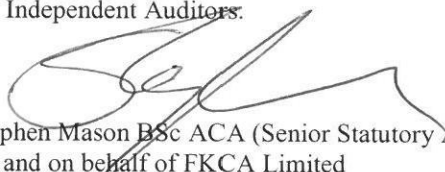
As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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



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: 29/6/18

ACTIVE LUTON

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 MARCH 2018**

	Notes	Unrestricted funds £	Designated fund - Pension £	Restricted fund £	Total 2018 funds £	Total 2017 funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	2,397,381	-	515,300	2,912,681	2,810,736
Charitable activities	5					
Charitable activities		5,688,502	-	163,254	5,851,756	5,824,941
Other trading activities	3	772,234	-	-	772,234	858,227
Investment income	4	9,466	-	-	9,466	25,871
Total		8,867,583	-	678,554	9,546,137	9,519,775
EXPENDITURE ON						
Commercial operations	6	661,440	-	-	661,440	643,924
Charitable activities	7					
Charitable activities		8,231,512	-	771,165	9,002,677	8,681,805
Other pension gain		-	121,000	-	121,000	107,000
Total		8,892,952	121,000	771,165	9,785,117	9,432,729
NET INCOME/(EXPENDITURE) EXCLUDING PENSION EXPERIENCE LOSS ON ASSETS		(25,369)	(121,000)	(92,611)	(238,980)	87,046
Pension – experience loss on assets		-	(598,000)	-	(598,000)	(201,000)
NET INCOME/(EXPENDITURE)		(25,369)	(719,000)	(92,611)	(836,980)	(113,954)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	709,000	-	709,000	(856,000)
Net movement in funds		(25,369)	(10,000)	(92,611)	(127,980)	(969,954)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,979,135	(2,601,000)	212,809	590,944	1,560,898
TOTAL FUNDS CARRIED FORWARD		<u>2,953,766</u>	<u>(2,611,000)</u>	<u>120,198</u>	<u>462,964</u>	<u>590,944</u>

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 2018**

		Unrestricted funds £	Designated fund - Pension £	Restricted fund £	2018 Total funds £	2017 Total funds £
	Notes					
FIXED ASSETS						
Tangible assets	14	1,222,859	-	-	1,222,859	726,238
CURRENT ASSETS						
Stocks	15	50,020	-	-	50,020	50,622
Debtors	16	556,311	-	142,346	698,657	495,231
Cash at bank and in hand		<u>2,734,805</u>	<u>-</u>	<u>49,784</u>	<u>2,784,589</u>	<u>3,806,468</u>
		3,341,136	-	192,130	3,533,266	4,352,321
CREDITORS						
Amounts falling due within one year	17	<u>(1,497,729)</u>	<u>-</u>	<u>(71,932)</u>	<u>(1,569,661)</u>	<u>(1,483,500)</u>
NET CURRENT ASSETS		<u>1,843,407</u>	<u>-</u>	<u>120,198</u>	<u>1,963,605</u>	<u>2,868,821</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,066,266	-	120,198	3,186,464	3,595,059
CREDITORS						
Amounts falling due after more than one year	18	-	-	-	-	(303,115)
PROVISIONS FOR LIABILITIES	21	(112,500)	-	-	(112,500)	(100,000)
PENSION LIABILITY	23	<u>-</u>	<u>(2,611,000)</u>	<u>-</u>	<u>(2,611,000)</u>	<u>(2,601,000)</u>
NET ASSETS		<u>2,953,766</u>	<u>(2,611,000)</u>	<u>120,198</u>	<u>462,964</u>	<u>590,944</u>
FUNDS						
Unrestricted funds:						
General fund					3,066,266	3,079,135
Designated fund - Pension					(2,611,000)	(2,601,000)
Designated fund - Sinking fund					<u>(112,500)</u>	<u>(100,000)</u>
					342,766	378,135
Restricted funds:						
Restricted fund					<u>120,198</u>	<u>212,809</u>
TOTAL FUNDS					<u>462,964</u>	<u>590,944</u>

The notes form part of these financial statements

ACTIVE LUTON

CONSOLIDATED BALANCE SHEET - CONTINUED
AT 31 MARCH 2018

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 11/07/2018 and were signed on its behalf by:


C M Mayes - Trustee


J Williets - Trustee

The notes form part of these financial statements

ACTIVE LUTON

**CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2018**

		Unrestricted funds	Designated fund - Pension	Restricted fund	2018 Total funds	2017 Total funds
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	14	1,146,943	-	-	1,146,943	679,690
CURRENT ASSETS						
Stocks	15	3,665	-	-	3,665	910
Debtors	16	665,247	-	142,346	807,593	577,244
Cash at bank and in hand		<u>2,717,263</u>	<u>-</u>	<u>49,784</u>	<u>2,767,047</u>	<u>3,795,817</u>
		3,386,175	-	192,130	3,578,305	4,373,971
CREDITORS						
Amounts falling due within one year	17	<u>(1,467,118)</u>	<u>-</u>	<u>(71,932)</u>	<u>(1,539,050)</u>	<u>(1,454,866)</u>
NET CURRENT ASSETS		<u>1,919,057</u>	<u>-</u>	<u>120,198</u>	<u>2,039,255</u>	<u>2,919,105</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,066,000	-	120,198	3,186,198	3,598,795
CREDITORS						
Amounts falling due after more than one year	18	-	-	-	-	(303,115)
PROVISIONS FOR LIABILITIES	21	(112,500)	-	-	(112,500)	(100,000)
PENSION LIABILITY	23	<u>-</u>	<u>(2,611,000)</u>	<u>-</u>	<u>(2,611,000)</u>	<u>(2,601,000)</u>
NET ASSETS		<u>2,953,500</u>	<u>(2,611,000)</u>	<u>120,198</u>	<u>462,698</u>	<u>594,680</u>
FUNDS	22					
Unrestricted funds:						
General fund					3,066,000	3,082,871
Designated fund - Pension					(2,611,000)	(2,601,000)
Designated fund - Sinking fund					<u>(112,500)</u>	<u>(100,000)</u>
					346,500	381,871
Restricted funds:						
Restricted fund					<u>120,198</u>	<u>212,809</u>
TOTAL FUNDS					<u>462,698</u>	<u>594,680</u>

The notes form part of these financial statements

ACTIVE LUTON

CHARITABLE COMPANY BALANCE SHEET - CONTINUED
AT 31 MARCH 2018

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 11/07/2018 and were signed on its behalf by:


C M Mayes -Trustee


J Williets -Trustee

The notes form part of these financial statements

ACTIVE LUTON

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	11,835	333,315
Interest paid		(12,210)	(27,630)
Tax paid		<u>-</u>	<u>684</u>
Net cash provided by (used in) operating activities		<u>(375)</u>	<u>306,369</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(749,193)	(96,542)
Sale of tangible fixed assets		46,995	-
Interest received		<u>9,466</u>	<u>25,871</u>
Net cash provided by (used in) investing activities		<u>(692,732)</u>	<u>(70,671)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(328,772)</u>	<u>(26,785)</u>
Net cash provided by (used in) financing activities		<u>(328,772)</u>	<u>(26,785)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(1,021,879)	208,913
Cash and cash equivalents at the beginning of the reporting period		<u>3,806,468</u>	<u>3,597,555</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,784,589</u></u>	<u><u>3,806,468</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 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(127,980)	(969,954)
Adjustments for:		
Depreciation charges	252,572	214,035
Profit on disposal of fixed assets	(46,995)	-
Interest received	(9,466)	(25,871)
Interest paid	12,210	27,630
Decrease/(increase) in stocks	602	(6,275)
(Increase)/decrease in debtors	(203,426)	13,530
Increase in creditors	124,318	117,220
Difference between pension charge and cash contributions	<u>10,000</u>	<u>963,000</u>
Net cash provided by (used in) operating activities	<u><u>11,835</u></u>	<u><u>333,315</u></u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of consolidation

The financial statements of the charitable company and of the group, 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.

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 2018

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 years
Plant and machinery	- 3 years, 5 years and 7 years
Fixtures and fittings	- 3 years

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.

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

Pension costs and other post-retirement benefits

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Grants/Donations	<u>2,912,681</u>	<u>2,810,736</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2018

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.

	2018	2017
	£	£
Turnover	772,234	858,227
Cost of sales & administration costs	<u>(664,194)</u>	<u>(643,994)</u>
	<u>108,040</u>	<u>214,233</u>
The assets and liabilities of the subsidiary were:		
Fixed Assets	75,916	46,550
Current Assets	105,442	87,439
Current liabilities	<u>(181,094)</u>	<u>(137,725)</u>
	<u>264</u>	<u>(3,736)</u>
Aggregate share capital & reserves	264	(3,736)

4. INVESTMENT INCOME

	2018	2017
	£	£
Deposit account interest	<u>9,466</u>	<u>25,871</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
Use of sports facilities	4,894,123	4,190,189
Coaching and education	660,143	1,292,636
Miscellaneous	<u>297,490</u>	<u>342,116</u>
	<u>5,851,756</u>	<u>5,824,941</u>

6. COMMERCIAL OPERATIONS

Other trading activities

	2018	2017
	£	£
Commercial trading operations	<u>661,440</u>	<u>643,924</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2018

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>8,785,366</u>	<u>124,300</u>	<u>93,011</u>	<u>9,002,677</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2018 £	2017 £
Staff costs	5,477,010	5,154,434
Rent, rates, heat & light	503,842	693,590
Insurance	122,174	125,567
Telephone	39,708	39,767
Postage and stationery	27,550	15,875
Advertising	99,026	100,011
Sundries	205,993	204,967
Other staff costs	131,513	121,609
Motor & travelling	65,672	60,238
Repairs, maintenance & purchase of equipment	817,890	725,533
Security costs	32,863	-
Computer costs	60,291	42,138
Hire of equipment	141,473	146,773
Licenses & subscriptions	66,549	38,500
Project specific expenses	21,376	31,676
Subcontractor costs	285,073	199,591
Professional fees	98,070	15,740
Depreciation	235,503	214,035
Surplus on sale of assets	(46,995)	-
Irrecoverable VAT	349,753	315,643
Interest payable and similar charges	<u>51,032</u>	<u>79,689</u>
	<u>8,785,366</u>	<u>8,325,376</u>

9. GRANTS PAYABLE

	2018 £	2017 £
Charitable activities	<u>124,300</u>	<u>285,012</u>

Grants to Institutions

	2018 £	2017 £
Sports Coaching	<u>78,826</u>	<u>206,727</u>
	<u>78,826</u>	<u>206,727</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2018

10. SUPPORT COSTS

	Governance costs £
Charitable activities	<u>93,011</u>

11. NET INCOME/(EXPENDITURE)

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

	2018 £	2017 £
Auditors' remuneration	10,500	10,000
Auditors' remuneration for non audit work	2,500	2,500
Depreciation - owned assets	252,572	223,553
Surplus on disposal of fixed asset	<u>(46,995)</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

13. STAFF COSTS

	2018 £	2017 £
Wages and salaries	4,451,877	4,361,428
Social security costs	308,039	284,933
Other pension costs	<u>727,094</u>	<u>508,073</u>
	<u>5,487,010</u>	<u>5,154,434</u>

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

	2018	2017
Voluntary Income Generation	45	50
Activities for Generating Funds	29	36
Charitable Activities	<u>471</u>	<u>519</u>
	<u>545</u>	<u>605</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £50,000 was:

	2018	2017
£50,001 - £60,000	1	1
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

These employees are a member of the defined benefit scheme. One member paid between £50,001 and £60,000 is the senior member of TBL.

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2018

14. GROUP TANGIBLE FIXED ASSETS

	Leasehold property improvement £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2017	1,842,121	981,600	75,601	-	2,899,322
Additions	116,070	503,343	46,420	83,358	749,191
Disposals	<u>(61,752)</u>	<u>(519,893)</u>	<u>(38,607)</u>	<u>-</u>	<u>(620,252)</u>
At 31 March 2018	<u>1,896,439</u>	<u>965,050</u>	<u>83,414</u>	<u>83,358</u>	<u>3,028,261</u>
DEPRECIATION					
At 1 April 2017	1,171,596	927,841	73,645	-	2,173,082
Charge for year	162,806	63,526	4,461	21,777	252,570
Eliminated on disposal	<u>(61,752)</u>	<u>(519,893)</u>	<u>(38,607)</u>	<u>-</u>	<u>(620,252)</u>
At 31 March 2018	<u>1,272,650</u>	<u>471,474</u>	<u>39,499</u>	<u>21,777</u>	<u>1,805,400</u>
NET BOOK VALUE					
At 31 March 2018	<u>623,789</u>	<u>493,576</u>	<u>43,915</u>	<u>61,581</u>	<u>1,222,859</u>
At 31 March 2017	<u>670,525</u>	<u>53,759</u>	<u>1,956</u>	<u>-</u>	<u>726,238</u>

CHARITABLE COMPANY TANGIBLE FIXED ASSETS

	Leasehold property improvement £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2017	1,774,903	934,177	47,727	-	2,756,807
Additions	116,070	503,344	-	83,358	702,771
Disposals	<u>(61,752)</u>	<u>(519,893)</u>	<u>(38,607)</u>	<u>-</u>	<u>(620,252)</u>
At 31 March 2018	<u>1,829,221</u>	<u>917,627</u>	<u>9,120</u>	<u>83,358</u>	<u>2,839,326</u>
DEPRECIATION					
At 1 April 2017	1,143,213	886,178	47,727	-	2,077,118
Charge for year	155,974	57,766	-	21,777	235,517
Eliminated on disposal	<u>(61,752)</u>	<u>(519,893)</u>	<u>(38,607)</u>	<u>-</u>	<u>(620,252)</u>
At 31 March 2018	<u>1,237,435</u>	<u>424,051</u>	<u>9,120</u>	<u>21,777</u>	<u>1,692,383</u>
NET BOOK VALUE					
At 31 March 2018	<u>591,786</u>	<u>493,576</u>	<u>-</u>	<u>61,581</u>	<u>1,146,943</u>
At 31 March 2017	<u>631,690</u>	<u>47,999</u>	<u>-</u>	<u>-</u>	<u>679,690</u>

15. STOCKS

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Stock	<u>50,020</u>	<u>3,665</u>	<u>50,622</u>	<u>910</u>
	<u>50,020</u>	<u>3,665</u>	<u>50,622</u>	<u>910</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2018

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Trade debtors	265,535	228,828	229,663	212,186
Other debtors	40,612	36,329	14,014	4,415
Prepayments & accrued income	392,509	391,953	251,555	251,555
Amounts due from group undertakings	-	150,482	-	109,088
	<u>698,656</u>	<u>807,593</u>	<u>495,232</u>	<u>577,244</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Trade creditors	345,783	325,541	169,133	155,182
Social security and other taxes	84,008	84,008	83,148	83,148
VAT	902	902	11,511	11,511
Other creditors	8,796	8,113	25,149	24,465
Pension control account	76,759	76,759	68,010	68,010
Accruals and deferred income	1,053,413	1,043,727	1,100,893	1,086,893
Bank loans	-	-	25,657	25,657
	<u>1,569,661</u>	<u>1,539,050</u>	<u>1,483,501</u>	<u>1,454,866</u>

DEFERRED INCOME

	Grant Income £	Activity Income £
Deferred Income brought forward at 1 April 2017	42,728	177,578
Incoming resources deferred in the current year	109,601	227,471
Amounts released from previous years	(11,860)	(177,578)
	<u>140,469</u>	<u>227,471</u>
Deferred Income carried forward at 31 March 2018		

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 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Other Loans	-	-	303,115	303,115
	<u>-</u>	<u>-</u>	<u>303,115</u>	<u>303,115</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2018

19. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank loans	<u>-</u>	<u>25,657</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>25,657</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>76,971</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>-</u>	<u>200,487</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:

	2018 £	2017 £
Bank loans	<u>-</u>	<u>328,772</u>

21. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Sinking fund provision	<u>112,500</u>	<u>100,000</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2018

22. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
Unrestricted funds			
General fund	3,079,135	(12,869)	3,066,266
Designated fund - Pension	(2,601,000)	(10,000)	(2,611,000)
Designated fund - Sinking fund	(100,000)	(12,500)	(112,500)
	378,135	(35,369)	342,766
Restricted funds			
Restricted fund	212,809	(92,611)	120,198
TOTAL FUNDS	<u>590,944</u>	<u>(127,980)</u>	<u>462,964</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,867,583	(8,880,452)	(12,869)
Designated fund - Pension	-	(10,000)	(10,000)
Designated fund – Sinking find	-	(12,500)	(12,500)
	8,867,583	(8,902,952)	(35,369)
Restricted funds			
Restricted fund	678,554	(771,165)	(92,611)
TOTAL FUNDS	<u>9,546,137</u>	<u>(9,674,117)</u>	<u>(127,980)</u>

Comparatives for 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)
	1,310,157	(932,022)	-	378,135
Restricted Funds				
Restricted fund	250,741	(37,932)	-	212,809
TOTAL FUNDS	<u>1,560,898</u>	<u>(969,954)</u>	<u>-</u>	<u>590,944</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2018

22. MOVEMENT IN FUNDS - continued

Comparative 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)
	8,606,910	(9,538,932)	(932,022)
Restricted funds			
Restricted fund	912,865	(950,797)	(37,932)
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 2018 by a qualified independent actuary. The major assumptions used by the actuary were:

	2018	2017
Rate of increases in salaries	2.0%	2.2%
Rate of increases in pension payments	2.2%	2.4%
Discount rate for scheme liabilities	2.8%	2.8%
Inflation assumption	3.4%	3.4%

The assets of the scheme and expected rate of return

	Long term rate of return expected 2018	Value 2018 £'000	Long term rate of return expected 2017	Value 2017 £'000
Equities	2.8%	8,064	2.8%	7,869
Bonds	2.8%	2,199	2.8%	2,017
Property	2.8%	1,466	2.8%	1,243
Cash	2.8%	<u>2,934</u>	2.8%	<u>2,623</u>
Total market value of assets		14,663		13,806
Present value of scheme liabilities		<u>(18,726)</u>		<u>(17,859)</u>
Surplus / (deficit) in scheme		<u>(4,063)</u>		<u>(4,053)</u>
Net pension liability		<u><u>(4,063)</u></u>		<u><u>(4,053)</u></u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 MARCH 2018

23. PENSION COMMITMENTS
- continued

Analysis of the amount charged to charitable activities

	2018	2017
	£	£
Current service cost	1,320,000	730,000
	<u>1,320,000</u>	<u>730,000</u>

Analysis of the amount shown in other incoming resources:

	2018	2017
	£	£
Expected return on pension scheme assets	397,000	422,000
Interest on pension scheme liabilities	(518,000)	(529,000)
Losses on Curtailments and Settlements	<u>-</u>	<u>(16,000)</u>
Net (cost)/return	<u>(121,000)</u>	<u>(123,000)</u>

Analysis of the amount recognised in statement of financial activities

	2018	2017
	£	£
Actual return less expected return on pension scheme assets	(290,000)	1,382,000
Changes in financial assumptions underlying the present value of scheme liabilities	<u>999,000</u>	<u>(2,238,000)</u>
Actuarial loss gain / (loss) recognised	<u>709,000</u>	<u>(856,000)</u>

Movement in deficit during the year

	2018	2017
	£	£
Surplus / (deficit) at beginning of the year	(4,053,000)	(2,889,000)
Total service cost	(1,320,000)	(746,000)
Employer contributions	722,000	545,000
Net return on assets	(121,000)	(107,000)
Actuarial gain / (loss)	<u>709,000</u>	<u>(856,000)</u>
Deficit in scheme	<u>(4,063,000)</u>	<u>(4,053,000)</u>
Attributable to Luton Borough Council	(1,452,000)	(1,452,000)
Attributable to Active Luton	<u>(2,611,000)</u>	<u>(2,601,000)</u>
	<u>(4,063,000)</u>	<u>(4,053,000)</u>

ACTIVE LUTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 MARCH 2018

23. PENSION COMMITMENTS - continued

History of experience gains and losses

	2018 £	2017 £
Difference between the expected and actual return on assets	121,000	107,000
Percentage of scheme assets	0.8%	0.8%
Experience gains/(losses) on liabilities	-	954,000
Percentage of the present value of liabilities	N/A	5.3%
Actuarial gain/(loss) recognised	709,000	(856,000)
Percentage of the present value of liabilities	3.8%	(4.8%)

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 £150,481 from its trading subsidiary (2017: £109,088), Active Luton Enterprises Limited. The balance is repayable on demand and non-interest bearing.

During the year the charity was invoiced £23,000 (2017: £26,679) by Charles Whitney, a company where control can be influenced by M McNerney who is a former trustee of Active Luton.

During the year the charity was invoiced £23,053 (2017: £2,635) by Pictons Solicitors, a company where control can be influenced by S Rooney who is a former trustee of Active Luton.

During the year the charity was invoiced £7,200 (2017: £nil) by G Yates 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.

ACTIVE LUTON

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 MARCH 2018

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Grants/Donations	2,397,381	515,300	2,912,681	2,810,736
Other trading activities				
Commercial trading operations	772,234	-	772,234	858,227
Investment income				
Deposit account interest	9,466	-	9,466	25,871
Charitable activities				
Use of sports facilities	4,894,123	-	4,894,123	4,190,189
Coaching and education	496,889	163,254	660,143	1,292,636
Miscellaneous	297,490	-	297,490	342,116
	<u>5,688,502</u>	<u>163,254</u>	<u>5,851,756</u>	<u>5,824,941</u>
Total incoming resources	8,867,583	678,554	9,546,137	9,519,775
EXPENDITURE				
Other trading activities				
Commercial trading operations	661,440	-	661,440	643,924
Charitable activities				
Wages	4,148,400	303,477	4,451,877	4,361,428
Social security	279,894	28,145	308,039	284,933
Pensions	670,634	46,460	717,094	598,073
Rent, rates, heat & light	488,570	15,272	503,842	693,590
Insurance	122,174	-	122,174	125,567
Telephone	32,085	7,623	39,708	39,767
Postage and stationery	22,801	4,749	27,550	15,875
Advertising	96,652	2,375	99,027	100,011
Sundries	184,813	21,180	205,993	204,967
Other staff costs	121,733	9,780	131,513	121,609
Motor & travelling	47,516	18,156	65,672	60,238
Repairs, maintenance & purchase of equipment	817,890	-	817,890	725,533
Security costs	32,863	-	32,863	-
Computer costs	48,531	11,760	60,291	42,138
Hire of equipment	109,957	31,515	141,472	146,773
Licenses & subscriptions	65,313	1,236	66,549	38,500
Project specific expenses	21,376	-	21,376	31,676
Subcontractor costs	136,946	148,127	285,073	199,591
Professional fees	98,070	-	98,070	15,740
Leasehold property improvement depreciation	155,974	-	155,974	159,656
Plant & machinery depreciation	57,768	-	57,768	54,379
Computer equipment	21,761	-	21,761	-
Profit on sale of tangible fixed assets	(46,995)	-	(46,995)	-
Interest payable	12,210	-	12,210	27,630
Carried forward	7,746,936	649,855	8,396,791	7,957,674

This page does not form part of the statutory financial statements

ACTIVE LUTON

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 MARCH 2018**

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Charitable activities				
Brought forward	7,746,936	649,855	8,396,791	7,957,674
Irrecoverable VAT	349,753	-	349,753	315,643
Interest payable and similar charges	38,822	-	38,822	52,059
Grants payable	<u>13,402</u>	<u>110,898</u>	<u>124,300</u>	<u>285,012</u>
	8,148,913	760,753	8,909,666	8,610,388
Other				
Expected return on pension scheme assets	121,000	-	121,000	107,000
Support costs				
Governance costs				
Auditors' remuneration	88	10,412	10,500	10,000
Auditors' remuneration for non audit work	2,500	-	2,500	2,500
Legal fees	<u>80,011</u>	<u>-</u>	<u>80,011</u>	<u>58,917</u>
	82,599	10,412	93,011	71,417
Total resources expended	9,013,952	771,165	9,785,117	9,432,729
Experience loss on assets	(598,000)	-	(598,000)	(201,000)
Net expenditure	<u>(744,369)</u>	<u>(92,611)</u>	<u>(836,980)</u>	<u>(113,954)</u>