

Company number: 08030293

Charity number: 1157266

activeNewham

Report and financial statements

For the year ended 31 March 2019

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For the year ended 31 March 2019

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Reference and administrative information

For the year ended 31 March 2019

Company number 08030293

Charity number 1157266

Registered office and operational address 46 Clova Road
Forest Gate
LONDON, E7 9AH

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Timothy Davies (Chair)
Robert Heaton
Richard Hunt
Jaine Stannard
Sion O'Connor
Cllr Daniel Blaney (app'd 30.11.18)
Genevieve Kitchen (app'd 11.04.19)
Cllr Ken Clark (Resigned 21.06.2018)
Alia Harris (Resigned 21.06.2018)
Cllr Forhad Hussain (Resigned 21.06.2018)
Stephen Gillatt (Resigned 21.06.2018)

Key management personnel Ian Gallagher (Managing Director)
Daniel Burford (Head of Service)
Colleen McDermott (Management Accountant) on maternity leave
Howard Brown (Head of Finance)
Simone Hall (Head of Human Resources)

Bankers The Co-operative Bank PLC
Lewisham Branch, Heaton House
151-155 Lewisham High Street
LONDON, SE1 9BB

Solicitors Winckworth Sherwood LLP
Minerva House, 5 Montague Close
LONDON, SE1 9BB

Reference and administrative information

For the year ended 31 March 2019

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON, EC1Y 0TL
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Trustees' annual report

For the year ended 31 March 2019

The trustees present their report and the audited financial statements for the year ended 31 March 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chair statement

It has once again been a challenging financial for the trust with a number of financial, operation and contractual matters that have had to be considered and resolved by the activeNewham management team.

The loss of one of the centres (Balaam Leisure Centre) part way through the financial year was a significant loss, discussions remain ongoing regarding the longer term future of the centre.

Contractual discussions remain ongoing with the London Borough of Newham in relation to the commission intentions as the end of this contractual term approaches, discussions have been positive and forward thinking in their general approach.

We are committed to work with the management team to ensure that improvements continue to be made to the existing leisure centres in order to avoid any further disruption/ closures due to condition related matters.

We are excited to see that the capital improvements made in the previous financial year (2017/18) have assisted with generating further income and to attract different 'harder to reach' market segments i.e. women and girls, we are committed to continue working to consider new opportunity to continue with these developments.

We are now working to develop an opportunity to incorporate the London Living Wage into the employees' terms and conditions, this will be a focus area for the approaching financial year along with the delivery of a new HR and payroll system.

Objectives and activities

Purposes and aims

The objects of the Charitable Company are to provide facilities for recreation, sporting or other leisure time pursuits.

Trustees' annual report

For the year ended 31 March 2019

We have been working with the London Borough of Newham to deliver leisure, sports, health and volunteering opportunities in Newham since January 2013.

Our mission is to make “More people, More active, More often”. To support this mission activeNewham manages five leisure centres in Newham together with a varied programme of community activation initiatives.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure that the charity's aims, objectives and activities remain focused on its stated purposes.

Achievements and performance

The charity's main activities and recipients are described below. All its charitable activities focus on physical and mental wellbeing, and enabling participation. These activities are undertaken to further activeNewham's charitable purposes and for the public benefit.

Leisure Centres

The Leisure Centres have had a relatively positive trading year, market conditions remain competitive with new providers entering the local area. Membership levels remain consistent year on year.

Activity usage has remained in line with expectation throughout the year until unforeseen removal of the Balaam centre in December in December 2018 due to serious structural & safety concerns.

The Leisure Centre management team remains consistent and now has a good level of experience of the local area and the associated risks and opportunity.

The landlord made limited investment into the facilities during this financial year although investments are planned during the 2019/20 financial year, this will go some way to mitigate any further increased repairs and maintenance costs.

Community Activation

After significant staff turnover within the team in the previous year, the existing members of staff have been supported with new staff settling into the Community Activation Team. The team continue to deliver the main functions of the commission in the three service areas of Newham's Volunteers, Sport and Physical Activity, and Parks & Open Spaces.

Trustees' annual report

For the year ended 31 March 2019

The Newham's Volunteer Programme continues to form a big part of the Community Activation Team with staff providing meaningful volunteering opportunities to local residents. The ethos of volunteering is to ensure it adds value to organisations, is worthwhile for volunteers, and benefits the community. The team recruits, trains and assigns volunteers to a wide variety of long term and one off volunteering opportunities in Newham and outside the borough.

Volunteers continue to support London Borough of Newham's (LBN) Community Neighbourhood Teams, Youth Offending Team and Adult Social Care, providing support to LBN and its services. Roles range from helping at local libraries and their homework & games clubs, storytelling, arts and crafts, half term activities for young people, day trips to the seaside and tea dances for elderly residents. We also continue to support high profile LBN events such as Mayors Newham show, Under the Stars and Fire Works Night.

The programme has a great reputation with external providers and continue to support mass participation events including the Blenheim Triathlon, Virgin Money London Marathon, Colour Run, The Big Half and many events at the Queen Elizabeth Olympic Park including themed runs.

New partnerships have been developed with Human Race, WheelPower, Bikeworks and Limelight Sports, which opens up exciting new opportunities for volunteers.

Over the past few years, there has been an increase of volunteers who have disabilities, learning support, mental health or mobility issues. We have been able to accommodate roles and offer a platform for all individuals to benefit from the programme.

Free training is available for volunteers including Spectator Safety, ESOL and YOT training and Sports Activator Courses. Further opportunities can include membership of the Volunteer Steering Group, progressing to a Volunteer Team Leader, or a Volunteer Trainer's role. activeNewham believes that every volunteer has a skill and something to offer.

The Volunteers Team were nominated for the 'Workforce Award' at the London Sport Awards. This was a chance to showcase our work and demonstrate how the programme benefits local people to develop and make an impact in sports. Out of 315 applications, the team came in the top 3 as runners up – which helped to raise our profile and give us significant recognition and exposure.

This year 21 volunteers have attained employment, and 10 were employed with activeNewham as a result of the experience and skills gained through the Volunteering Programme.

activeNewham provides a corporate volunteering offer for local businesses supporting organisations through their corporate responsibility programmes. This year activeNewham

Trustees' annual report

For the year ended 31 March 2019

supported 4 corporate volunteering days for companies including Tokio Millennium and Financial Conduct Authority (FCA). This programme aids small charities by helping to improve local community sites and also provides a source of income.

In total more than 552 people supported at least one of activeNewham's opportunities contributing to 25,710 hours of voluntary support to service users in 2018–2019.

During 2018–19 the Sport & physical activity team delivered various projects as part of the LBN's commission of Active Newham. These include The London youth games, The Neighbourhood Sports programme, working with the 8 community Neighbourhood Ward managers to deliver Free sports outside of school hours, The Newham Town show where we managed a small area providing a cross section of activities available in and around Newham. We also secured additional commissions through the London Borough of Newham including Parklives in its fifth and penultimate year of ParkLives in Newham; Newham Every Child a Sports Person and the Headstart Programme, activeNewham have seen almost 2000 young people benefit from sports activities during delivery of the Headstart project over an 18 month period.

During the summer of 2017 the Sports and Physical Activity Team delivered an excellent project in partnership with the LLDC delivering free activity on the QEOP over the month of August, as part of the partnership we also delivered 3 runs through QEOP. Events like this enable the Community Activation Team to work across the Sports and Volunteering departments.

Highlights for the Sport and Physical Activity Team during 2018 – 2019 were:

- 4,000 attendances at the dual use sites for community sports clubs.
- 19,261 attendances at ParkLives sessions with over 30 different activities across 19 venues.
- 1953 attendances at Headstart session with 10 different activities.

The Parks and Open Spaces Team manages the London Borough of Newham allotment sites and administrative bookings for park sports pitches & event bookings. The most significant change to the service saw activeNewham handed the management of the East Ham Nature Reserve and Plashet Park Green Flag back to the Local Authority.

Allotment management continues to be labour intensive and each of the sites contain a number of vacant plots, with long waiting lists requiring significant levels of resource. Each of the sites benefited from corporate volunteering during 2018 –2019, with volunteers clearing sites and bringing unusable plots back to a letting condition. Partners such as Trees for Cities and Probation Services have come in and helped clear up several plots – which are then ready for let and helps bring down the waiting lists.

Trustees' annual report

For the year ended 31 March 2019

We continue to reduce number of vacant plots. April 2018 saw an 81% occupancy across all sites to March 2019 89% occupancy. Where plots are being relinquished, we are splitting the plots further reducing the waiting list and increasing occupancy percentage.

Event bookings have grown significantly during 2018 –2019 with activities including family parties, corporate gatherings, filming of TV programmes, commercials, and travelling circuses making use of Newham's parks. Local schools also hold their sports days in the parks, and it is hoped that the recent increased cricket activity will see a rise in the usage of parks for sports events in the coming years. One negative trend for park usage this year has been a decline in the popularity of 11 v 11 football – however, we have also increased cricket bookings.

Beneficiaries of our services

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning activeNewham's future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

activeNewham promotes the preservation of good health and wellbeing through community participation in healthy recreation.

We are in the Borough of Newham to provide services and facilities for recreation, sport and health, and in the interest of social welfare. Our services are provided to engage with the entire community, including some special services and facilities offered to people with special needs, who because of their youth, age, infirmity or disability, poverty, or social, or economic circumstances may not previously have benefited.

Our aim is to provide a blend of services and facilities under "one roof" that allows us to take a "whole system" approach to our mission of getting more people more active, more often.

Financial review

During the financial year, activeNewham had operational surplus and increase in net movement of funds of £117,555.

The increase in net movement in funds for the year has been attributable to £105,689 and £11,866 for unrestricted and restricted funds respectively.

This operational surplus is a significant step in reversing prior year loss trends. This milestone also puts the trust on the path to its long term goal of overall achieving and sustaining overall surplus. We continue to work in a highly and ever increasingly competitive

Trustees' annual report

For the year ended 31 March 2019

industry. Our Leisure Centres are still in need of need major improvements and we continue to work in partnership with our landlord (LBN) to effect the required changes.

LBN has now earmarked funds for the capital infrastructure work on our centres, commencing in December 2019. The capital improvements will better position our Leisure Centres in the marketplace, we are confident this will result in immediate positive impacts to our service delivery, operational competitiveness and ultimate sustainability.

Leisure Centres remain the highest profit contribution area of the business, the sports, volunteering and open spaces teams have been well managed financially, which has resulted in a reduction of the cost of providing these services to the public.

Funding Sources

activeNewham's main external funder for the period 2018/2019 continues to be the London Borough of Newham, contributing 19% of the total revenue. This is down from 23% in 2018.

The remainder of the revenue funding is made up of income generating activities within the leisure and service centres.

Financial KPIs

We have a full suite of monthly KPI reports that measure both financial and non-financial KPIs. This has allowed us to drive the business and has enabled us to react quickly to any challenges that have arisen, they are also used to inform the management team and trustees of the performance against actuals: Our main KPIs are listed below:

- Surplus vs Turnover 1.26% (2018 (Loss), -1.16%)
- Staff costs Vs Turnover 52.01% (2018, 51.90%)

Risk and Mitigation:

As with any business we have a variety of risks that can affect our day to day operations and also our long term sustainability. Risks are recorded within a risk register and reported back to Trustees on a quarterly basis.

Risks which have been identified are categorised and mitigation processes are put in place dependant on the impact and likelihood of the risk. The key risk categories and principal risks to the business are:

Trustees' annual report

For the year ended 31 March 2019

Financial:

- Increasing competition within the sector could have a detrimental impact on the viability of the business
- Increase in staff costs and reduction in management fee
- Lack of operational reserves

Operational:

- Major accident or incident within the business
- Significant long term closure to a facility (as seen in December 2018 at Balaam)
- Difficulty in recruiting and retaining staff to deliver the service

Governance:

- Inability to recruit and retain Trustees
- Loss of key staff enabling the business to fulfil Charitable reporting requirements

The principal risks facing our trust in the coming year are:

Risk	Mitigation
Ability to attract Trustees with the relevant experience and availability to support the Trust	<ul style="list-style-type: none">- Chair and current trustees actively recruiting potential new Trustees- Skills / competency framework to be created to direct Trustee recruitment- Attendance policy created to ensure quorum at Board and Committee meetings- Training provided to Trustees through our Audit and Legal partners
Serious Incident or fatality	<ul style="list-style-type: none">- Normal and Emergency Operating Procedures in place for all buildings and programmes- Staff trained to operate in compliance with legislation and approved codes or practice- Legal register and Critical Incident Plan maintained by the Facility Management Division

Reserves Policy and Going Concern

Reserves Policy

The Trustees of activeNewham have determined that the Trust should have unrestricted general reserves.

They believe it is prudent to have working capital and unrestricted general reserves to cover any unexpected one-off or on-going increases in expenditure, or reduction in income.

When considering the reserve policy Trustees have referred to the risk register. Whilst risk mitigation is in place and the risk register is regularly monitored, they determine that it is prudent to have a level of unrestricted reserves to cover the impact of risks.

Trustees are also aware that activeNewham's needs to be seen as having a sound financial position and its ability to secure partnership and funding opportunities are negatively impacted by the impression that is given by the current deficit on reserves. This can be addressed by having unrestricted general reserves. The unrestricted general reserves will be used to support the aims of the charity.

As at 31 March 2019, activeNewham has a net liability of £104,888 on its unrestricted funds account. Trustees have a target unrestricted general reserves to be the equivalent of two (2) months of trust's wage bill, i.e. circa £750,000.

A robust annual financial budget is being produced by Executive Management for approval by Trustees which targets modest annual surplus. Conservatively, it is expected that net liability will reduce to circa £30,000 by March 2020. Thereafter the trust is forecasting minimum annual surpluses of £100,000. This will create a gradual but realistic accumulation to arriving at the target reserves.

In order to minimise the risk of not making operational surpluses and increasing the existing deficit, the reserves are reviewed by the Executive Management during the course of the year via the monthly management accounts. Financial performance and position statements are also reviewed regularly with Trustees at committees and board meetings. Executive Management and Trustees will therefore be able to identify when reserves are drawn on and respond with timely corrective action.

The reserves policy is reviewed annually.

Fundraising Disclosure

We are not currently a fundraising charity, with our income deriving from local government contracts and grants and membership income. We therefore are not registered with the fundraising regulator, although follow their guidance when evaluating potential approaches to grant giving bodies.

Plans for the future

Leisure

We are working closely with the London Borough of Newham to coordinate their landlord investment plans for the years 2019/2020 onwards.

Further capital works planned in 2019/20.

Community Activation Plans for the Future

Volunteers:

The programme will be investing into a new Online Booking System for volunteers. The system enables volunteers to manage their own bookings at a click of a button. They also have full control in keeping their details up to date in their profile section and able to access their volunteering history and timelines. We will be able to record all their CPD and qualifications, and give them access to training opportunities which will be all be made available on one platform.

Some new features will include volunteers being ranked and able to build their status in a form of a badge, the more hours you do, the more badges you earn, and your volunteer rank is increased. This will form a big part of our incentives with volunteers being able to earn rewards when reaching certain badge levels. Also, the system enables volunteers to trade in volunteer hours for incentives – such as our new 'Discounted Volunteer Gym Membership' and 'Sports Tickets'.

The system will also enable us to add partners, such as Neighbourhood Teams as a provider. This means partners can book volunteers directly via the system. No more paper based event request forms and calling the Volunteers Team to find out how many volunteer have booked. If partners need to recruit volunteer's last minute – they can add the event directly and have control of getting in volunteers.

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For the year ended 31 March 2019

Sports:

During 2019–20 the sport and physical activity team will continue to deliver a number of different projects as part of London Borough of Newham's commission of activeNewham. These projects will include the London Youth Games, Neighbourhood sports programmes and the Newham show. We will also secure the additional commissions for the 6th and final year of park lives in Newham as well as a commission to deliver a family fitness programme from LBN.

We will look to get funding from Sport England, London Sport & Street games to deliver social inclusion sessions for 14–19 years old. We will also look at developing a female coach's network and increase the number of female only community sessions that we run by working closely with NGB's and partner organisations.

The Newham show will focus on shining a spotlight on sport and activity clubs in Newham, we will support the cricket world launch event as part of the market games. We will run 3 family fun runs at QEOP during Easter, Halloween and Christmas periods.

Open Spaces:

The programme has invested into a new Allotment Database called Colony. This is a system specifically catered for Allotment programmes and many London Boroughs are using the system.

The system will allow us to manage personal details better, the allocation of plots and waiting lists – and also, generate inspections and issue notices directly from the system.

Structure, governance and management

The organisation is a company limited by guarantee, incorporated on 13th April 2012. The company became a registered charity on 30th May 2014.

The 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.

activeNewham is governed by the board of trustees who are also Directors of the company. The trustees have ultimate responsibility for directing the affairs of activeNewham and its strategic planning and policy direction. The day to day management of the charity is delegated to the Managing Director and the Leadership Team.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Appointment of trustees

Potential trustees are appointed following a recruitment methodology which includes advertising, longlisting; disqualification and insolvency searches; shortlisting; interviewing; introductions and finally if agreed, adoption onto the board of trustees. Trustee appointments are registered with Companies House and the Charity Commission following the completion of the governance credentials required.

There are no less than three and no more than twelve trustees. All trustees are automatically admitted as Members, save for trustees appointed by LBN under article 31 who are not admitted as Members. LBN is entitled by notice in writing to the Charity to appoint up to two trustees and may at any time remove or replace such trustees. All other trustees are selected in accordance with the board membership policy as may be adopted by the Charity from time to time and be appointed by the Members from time to time. All trustees (save for those appointed by LBN) are subject to retirement by rotation so that each year one third of the trustees are required to retire. Those who need to retire are the trustees who (1) have been on the board the longest or (2) have been chosen by lot (if not agreed). Trustees who are required to retire under this article are eligible for reappointment and for the avoidance of doubt there is no maximum term of service for trustees.

The present trustees were appointed through internal networking over the East London area, advertising online and in the press.

Trustee induction and training

New trustees are informed of their legal obligations under charity and company law and the memorandum and articles of association. Training opportunities are recommended going forward and training requirements for trustees are reviewed and monitored on a regular basis.

Trustees' inductions include visits to relevant locations around the borough of Newham including the leisure centres, and information on the history of the company and future opportunities.

Trustees receive training from Winckworth Sherwood on the legal structure; governance; their duties and responsibilities; conflicts of interest; financial performance; and procedures and processes.

Sayer Vincent training events are available to keep trustees well informed and up to date.

Related parties and relationships with other organisations

activeNewham has a number of positive working partnerships with groups, commissioners and stakeholders within Newham and the surrounding areas.

LBN remains the most significant and strategic partner. Work is completed with the majority of local community, voluntary and third sector groups. Due to the nature of the work carried out by activeNewham, there are strong partner links to all of the local health partnership, local GPs, sports clubs, neighbourhood groups and the local commissioning networks.

activeNewham operates in cooperation with others in the pursuit of joint and shared objectives, working to strengths and selecting partners carefully to ensure that the more complex programmes of activation and engagement are successfully delivered in the long term. The availability of funding and local opportunities are carefully considered to ensure that partners and programmes are in keeping with activeNewham's core values.

Trustee engagement and the charity's direction are considered when activeNewham evaluates future schemes and programmes of work. The risk appetite register is used to examine the wider business and the community risks and benefits of new partnering work.

Remuneration policy for key management personnel

Key management personnel remuneration is reviewed regularly by the trustees with the intention that pay is set appropriately in the context of the local industry market and competition.

Out of pocket expenses are accounted for in the business accounts.

Policy for employment of disabled persons

activeNewham recognises the advantages for our business to employ people with disabilities, including having access to a resourceful group of loyal employees.

We have an inclusive ethos that is embedded into all our human resource policies and procedures to help eliminate attitudinal bias. Our policies and procedures are reviewed on an annual cycle to ensure that they are up to date and align with best practice. Through our policies we comply with our statutory obligations and make reasonable adjustments in our standard working practices to provide support where appropriate to overcome the barriers caused by disability, throughout the entire employment cycle. Greater workforce awareness of the challenges faced by employees with disabilities is addressed with core management training.

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Employee information

A variety of communication channels are employed to facilitate a two way flow of information such as health & safety building walks, policy and procedure briefings, service update emails, the Intranet and Biz-Intel. Outputs from the Leadership Team meetings are cascaded into department briefings.

Funds held as custodian trustee on behalf of others

The Company does not hold any funds on behalf of others.

Statement of responsibilities of the trustees

The trustees (who are also directors of activeNewham for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report 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 these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is unaware

Trustees' annual report

For the year ended 31 March 2019

- 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 auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity if in its closing stages. The total number of such guarantees at 31 March 2019 was 10 (2018:9). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 26 November 2019 and signed on their behalf by

Tim Davies
Chair

Opinion

We have audited the financial statements of activeNewham (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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
- 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 Auditor's 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty

Independent auditor's report

To the members of

activeNewham

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 auditor's 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.

Joanna Pittman (Senior statutory auditor)

2 December 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	Restated 2018 Total £
Income from:							
Charitable activities							
Community Activation	2	978,071	242,442	1,220,513	1,440,596	113,302	1,553,898
Leisure Activities		7,674,261	–	7,674,261	7,525,002	–	7,525,002
Investments		–	–	–	7	–	7
Other trading income	3a	43,653	–	43,653	72,819	–	72,819
Other income	3b	362,050	–	362,050	–	–	–
Total income		9,058,035	242,442	9,300,477	9,038,424	113,302	9,151,726
Expenditure on:							
Charitable activities							
Community Activation		985,937	234,576	1,220,513	1,414,749	139,149	1,553,898
Leisure Activities		7,962,409	–	7,962,409	7,629,957	–	7,629,957
Total expenditure	4	8,948,346	234,576	9,182,922	9,044,706	139,149	9,183,855
Net income / (expenditure) for the year	5	109,689	7,866	117,555	(6,282)	(25,847)	(32,129)
Transfers between funds		(4,000)	4,000	–	(8,154)	8,154	–
Net movement in funds		105,689	11,866	117,555	(14,436)	(17,693)	(32,129)
Reconciliation of funds:							
Total funds brought forward as restated	20	(231,343)	9,300	(222,043)	(216,907)	26,993	(189,914)
Total funds carried forward	16	(125,654)	21,166	(104,488)	(231,343)	9,300	(222,043)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Balance sheet

Company no. 08030293

As at 31 March 2019

	Note	£	2019 £	£	Restated 2018 £
Fixed assets:					
Tangible assets	10		396,596		583,360
Current assets:					
Debtors	11	1,208,662		819,691	
Cash at bank and in hand		501,990		419,370	
		<u>1,710,652</u>		<u>1,239,061</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(2,211,736)</u>		<u>(1,918,029)</u>	
Net current liabilities			<u>(501,084)</u>		<u>(678,968)</u>
Total assets less current liabilities			<u>(104,488)</u>		<u>(95,608)</u>
Creditors: amounts falling due after one year	14		<u>–</u>		<u>(126,435)</u>
Total net liabilities			<u><u>(104,488)</u></u>		<u><u>(222,043)</u></u>
The funds of the charity:	16				
Restricted income funds			21,166		9,300
Unrestricted income funds:					
General funds		<u>(125,654)</u>		<u>(231,343)</u>	
Total unrestricted funds			<u>(125,654)</u>		<u>(231,343)</u>
Total charity funds			<u><u>(104,488)</u></u>		<u><u>(222,043)</u></u>

Approved by the trustees on 26 November 2019 and signed on their behalf by

Tim Davies
Chair

Statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	17	342,979	279,860
Cash flows from investing activities:			
Purchase of fixed assets		(99,489)	(288,792)
Net cash used in investing activities		(99,489)	(288,792)
Cash flows from financing activities:			
Interest received		–	7
Repayment of Loan		(160,870)	(160,869)
Repayment of finance lease capital		–	(87,707)
Net cash (used in)/provided by financing activities		(160,870)	(248,569)
Change in cash and cash equivalents in the year		82,620	(257,501)
Cash and cash equivalents at the beginning of the year		419,370	676,871
Cash and cash equivalents at the end of the year		501,990	419,370

1 Accounting policies**a) Statutory information**

activeNewham is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Dispensary, 30 Romford Road, Stratford, London, E15 4BZ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

activeNewham has generated a surplus on unrestricted general funds of £105,679. At the end of the financial year there were unrestricted net current liabilities of £125,654 and restricted surplus of £21,166. Following the year end a thorough and detailed review of the financial position and future prospects was undertaken and The London Borough of Newham has committed to capital development projects for our leisure centres. These developments will result in positive business impacts, commencing in our next financial year. Our Balaam leisure centre remains closed at year end, however there are ongoing discussions with the London Borough of Newham on its likely earliest reopening.

Another positive year is forecasted for activeNewham, with the trust expected to generate positive cash flows and a surplus to further reduce its current liabilities. The trustees have therefore considered it appropriate to prepare the financial statements on a going concern basis.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on an aggregate proportion of all costs, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

● Community Activation	33%
● Leisure Activities	67%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 36– 84 months
- Computer Equipment 36 months
- Leisure Centre Equipment 24 – 60 months depending on the type of asset and the industry standard useful life estimate
- Property Improvement 36 months

l) Finance Leases

Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charge. Finance charges are written off to the statement of financial activities using the actuarial internal rate of return method.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

activeNewham operates a stakeholder pension which is administered and managed by Royal London. We also pay into a Local Government Pension Scheme which is a defined benefit pension scheme for staff that had been transferred under TUPE from LBN to activeNewham. The cost of providing pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Under special arrangements, for the defined benefit scheme LBN retains the underlying liability or gains for any variations from regular cost, arising from periodic actuarial valuations and this is therefore not recognised in activeNewham's accounts.

2 Community Activation income

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Grants and sponsorship income	–	19,331	19,331	10,275	93,744	104,019
Events and activities	60,172	–	60,172	69,125	2,495	71,620
Services and other income	917,899	223,111	1,141,010	1,361,196	17,063	1,378,259
	<u>978,071</u>	<u>242,442</u>	<u>1,220,513</u>	<u>1,440,596</u>	<u>113,302</u>	<u>1,553,898</u>

3a Other trading activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Consultancy work	<u>43,653</u>	<u>–</u>	<u>43,653</u>	<u>72,819</u>	<u>–</u>	<u>72,819</u>

3b Other income

Due to serious structural defects in the building, the Balaam Leisure Centre has been closed since December 2018. We are actively working with the landlord (London Borough of Newham) to arrive at the best resolve. The Balaam members are currently being served by our other neighbouring centres. Under the terms of our agreement, activeNewham is entitled to claim Loss of Earnings for interruptions to business that is attributed to the landlord's responsibilities.

Notes to the financial statements

For the year ended 31 March 2019

4 Analysis of expenditure (Current year)

	Charitable activities					Restated
	Community Activation £	Leisure Activities £	Governance costs £	Support costs £	2019 Total £	2018 Total £
Staff costs (Note 6)	400,998	3,546,838	30,780	840,838	4,819,454	4,633,376
Other staff costs	10,811	64,620	–	95,826	171,257	140,698
Direct costs	10,462	21,738	–	34,312	66,512	75,431
Programme delivery activities	69,693	44,282	–	369	114,344	280,287
Repairs and maintenance /equipment	12,977	1,157,077	–	33,647	1,203,701	1,160,322
ICT	4,940	130,907	–	289,387	425,234	402,429
Advertising and marketing	7,454	111,339	–	22,209	141,002	230,419
Insurance	495	4,623	–	90,741	95,859	118,661
Utilities	–	985,223	–	6,193	991,416	956,018
Professional fees	–	27,254	21,000	86,341	134,595	116,307
Travel & subsistence	3,140	1,570	322	12,116	17,148	13,961
Bank/cash services charge	–	56,931	–	117	57,048	52,489
Office costs/administration	3,116	29,624	–	19,951	52,691	92,323
Depreciation	–	195,669	–	23,070	218,739	293,786
Irrecoverable VAT	–	30,000	–	398,839	428,839	466,655
Other costs	5,543	141,510	–	29,317	176,370	149,636
Exceptional costs	–	10,499	–	58,214	68,713	1,057
	529,629	6,559,704	52,102	2,041,487	9,182,922	9,183,855
Support costs	673,691	1,367,796	–	(2,041,487)	–	–
Governance costs	17,194	34,908	(52,102)	–	–	–
Total expenditure 2019	1,220,513	7,962,409	–	–	9,182,922	
Total expenditure 2018	1,553,898	7,629,957				9,183,855

Notes to the financial statements

For the year ended 31 March 2019

4 Analysis of expenditure (Prior year)

	Charitable activities				Restated 2018 Total £
	Community Activation £	Leisure Activities £	Governance costs £	Support costs £	
Staff costs (Note 6)	504,137	3,165,912	35,635	927,692	4,633,376
Other staff costs	11,133	64,824	–	64,741	140,698
Direct costs	21,388	14,993	–	39,050	75,431
Programme delivery activities	212,786	62,998	–	4,503	280,287
Repairs and maintenance /equipment	32,124	1,097,729	–	30,469	1,160,322
ICT	4,265	112,500	–	285,664	402,429
Advertising and marketing	12,285	197,436	–	20,698	230,419
Insurance	2,526	5,022	–	111,113	118,661
Utilities	5,236	944,680	–	6,102	956,018
Professional fees	–	3,463	19,900	92,944	116,307
Travel & subsistence	3,470	2,064	630	7,797	13,961
Bank/cash services charge	–	52,459	–	30	52,489
Office costs/administration	5,525	44,340	–	42,458	92,323
Depreciation	–	272,301	–	21,485	293,786
Irrecoverable VAT	3,000	34,512	–	429,143	466,655
Other costs	19,507	99,979	–	30,150	149,636
Exceptional costs	–	–	–	1,057	1,057
	837,382	6,175,212	56,165	2,115,096	9,183,855
Support costs	697,982	1,417,114	–	(2,115,096)	–
Governance costs	18,534	37,631	(56,165)	–	–
Total expenditure 2018	1,553,898	7,629,957	–	–	9,183,855

Notes to the financial statements

For the year ended 31 March 2019

5 Net income / (expenditure) for the year

This is stated after charging:

	2019 £	2018 £
Depreciation	218,739	293,786
Loss on disposal of Fixed Assets	67,514	7,349
Interest payable		
Finance Lease	–	3,343
Operating lease rentals:		
Property	32,000	32,000
Other	–	2,805
Auditors' remuneration (excluding VAT):		
Audit	15,000	14,500
Fees for non audit services	3,000	3,500

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	2,962,452	3,006,587
Termination and redundancy costs	127,124	4,501
Casual staff	1,330,965	1,276,589
Social security costs	311,620	292,675
Employer's contribution to defined contribution pension schemes	87,293	53,024
	4,819,454	4,633,376

Termination payments of £127,124 were outstanding at the year end.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£80,000 – £89,999	1	2

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £393,551 (2018: £433,027).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

No expenses were incurred by or on behalf of the trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Community activation	27	32
Leisure activities	278	266
Support	45	38
Governance	1	1
	351	337

Notes to the financial statements

For the year ended 31 March 2019

8 Related party transactions

There was a related party transaction in the prior year for £1,800 paid to Martin Clarke (partner of the commercial director) for consultancy work. There was no such transaction in 2019, and £nil outstanding at the year end with respect to this transaction (2018: £nil).

Keiron Butcher, the previous commercial director left activeNewham on 29 June 2018. He continues to provide activeNewham with IT consultancy services, with a total of £4,819 paid in the year (2018: £nil). There were no amounts outstanding at the year end with respect to these services (2018: £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. Members of the board are also councillors of London Borough of Newham, but they act as independent trustees for activeNewham.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Property Improvement £	Leisure Centre Equipment £	Computer Equipment £	Fixtures and Fittings £	Total £
Cost					
At the start of the year	480,372	615,693	179,130	241,281	1,516,476
Additions in year	36,586	34,489	12,449	15,965	99,489
Disposals in year	(53,628)	(7,708)	(4,277)	(52,618)	(118,231)
At the end of the year	463,330	642,474	187,302	204,628	1,497,734
Depreciation					
At the start of the year	215,249	486,325	131,042	100,500	933,116
Charge for the year	88,952	54,798	40,518	34,471	218,739
Eliminated on disposal	(22,504)	(4,177)	(1,485)	(22,551)	(50,717)
At the end of the year	281,697	536,946	170,075	112,420	1,101,138
Net book value					
At the end of the year	181,633	105,528	17,227	92,208	396,596
At the start of the year	265,123	129,368	48,088	140,781	583,360

All of the above assets are used for charitable purposes.

11 Debtors

	2019 £	2018 £
Trade debtors	92,985	64,010
Prepayments	294,701	292,320
Accrued income	820,976	463,361
	1,208,662	819,691

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,209,989	697,840
Taxation and social security	116,066	104,824
Accruals	648,927	834,056
Deferred income (note 13)	93,102	120,439
Other creditors – loans (note 14)	143,652	160,870
	2,211,736	1,918,029

Notes to the financial statements

For the year ended 31 March 2019

13 Deferred income

Deferred income comprises both grant and other income generating activities. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met, if performance-related or other conditions are not met the income will be deferred.

	2019 £	2018 £
Balance at the beginning of the year	120,439	549,117
Amount released to income in the year	(120,439)	(549,117)
Amount deferred in the year	93,102	120,439
Balance at the end of the year	93,102	120,439

14 Creditors: amounts falling due after one year

	2019 £	2018 £
Long term loans	–	126,435
	–	126,435

London Borough of Newham have loaned activeNewham £408,000 (£357,000 on 5 November 2015 and £51,000 on 1 December 2015), to assist with the acquisition of fixed assets in 2016, at an annual interest rate of 6%. The loan is repayable from April 2017 with monthly repayments of £13,408 until February 2020.

15a Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	396,596	–	396,596
Net current liabilities	(522,250)	21,166	(501,084)
Net assets at the end of the year	(125,654)	21,166	(104,488)

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	583,360	–	583,360
Net current liabilities	(688,268)	9,300	(678,968)
Long term liabilities	(126,435)	–	(126,435)
Net assets at the end of the year	(231,343)	9,300	(222,043)

Notes to the financial statements

For the year ended 31 March 2019

16a Movements in funds – current year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers/ other gains and losses £	At the end of the year £
Restricted funds:					
Headstart	–	81,628	(69,505)	–	12,123
Lawn Tennis Association	–	3,588	(3,588)	–	–
LBN	–	137,895	(137,895)	–	–
London Sport	–	10,000	(9,600)	–	400
Street Games	–	5,743	(3,600)	4,000	6,143
London Legacy Development Corporation	6,800	3,588	(10,388)	–	–
Other	2,500	–	–	–	2,500
Total restricted funds	9,300	242,442	(234,576)	4,000	21,166
Unrestricted funds:					
General funds	(231,343)	9,058,035	(8,948,346)	(4,000)	(125,654)
Total unrestricted funds	(231,343)	9,058,035	(8,948,346)	(4,000)	(125,654)
Total funds	(222,043)	9,300,477	(9,182,922)	–	(104,488)

16b Movements in funds – prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers/ other gains and losses £	At the end of the year £
Restricted funds:					
Sport England	(3,013)	41,607	(41,608)	3,014	–
London Sport	(500)	8,198	(11,198)	3,500	–
Street Games	26,095	39,862	(67,597)	1,640	–
London Legacy Development Corporation	–	23,635	(16,835)	–	6,800
Other	4,411	–	(1,911)	–	2,500
Total restricted funds	26,993	113,302	(139,149)	8,154	9,300
Unrestricted funds:					
General funds	(216,907)	9,038,424	(9,044,706)	(8,154)	(231,343)
Total unrestricted funds	(216,907)	9,038,424	(9,044,706)	(8,154)	(231,343)
Total funds	(189,914)	9,151,726	(9,183,855)	–	(222,043)

Purposes of restricted funds

Sport England

Newham Ability Sport Programme – the Newham Ability Camp is pan disability, and there will be a number of qualified coaches assisting in running these sessions. Parents are also encouraged to join in if they wish to do so.

Sports Disability (Newham Ability Sports Programme) – this is designed to increase access to sport for people with disabilities (14+ years). We are currently delivering a number of activities for disabled people in the borough including weekly sessions in wheelchair basketball, badminton and activities for people with complex needs as well as holiday programmes and events.

Every Family Active – this is designed to stimulate sports delivery and help increase and sustain once a week participation in sport for those aged 14 and above. It is run in partnership with West Ham Community Sports Trust, Newham Sixth Form College and Newham College of Further Education.

Notes to the financial statements

For the year ended 31 March 2019

16 Movements in funds (continued)**London Sport**

Sportivate – delivers a number of small projects across the borough. Activities include female only rugby, dance, hockey, gymnastics, netball, athletics, trampolining and multi-sport. Funding has been given to activeNewham as well as other Newham providers.

Satellite Clubs – provides sports clubs at educational settings such as schools and colleges to bridge the gap for young people (11 to 25 years) from school to community sport. These are normally linked to NGBs. There are a number of clubs across Newham and include activities such as Handball and Athletics.

Street Games

Doorstep Sports Club – this is a 3 year project which provides young people 14–25 with the opportunity to access free multi-sport sessions at a variety of venues across Newham. Working in partnership with a range of organisations including Newham Sixth Form College, Newham College of Further Education, NASSA, Ascension Eagles and England Athletics young people have the opportunity to take part in a range of fun, informal, friendly and engaging sessions on their doorstep.

US Girls Hub – Us Girls Hub, Us Girls ran for 1 year and is designed to increase and sustain young women's participation in sport and physical activity within some of the most disadvantaged communities. We looked to engage with 185 female participants.

Fit and Fed – Fit and Fed took place over the summer of 2017 Fit and Fed is a response to demand and a growing body of research on the triple inequalities of holiday hunger, isolation, and inactivity. The project will activate children in poor neighbourhoods and provide food to incorporate healthy and nutritious meals and guidance into our extensive summer programmes.

London Legacy Development Corporation

LLDC Roll on Summer – activeNewham will activate Tennis demand within London Borough of Newham as high priority for the borough, who is investing heavily into new tennis courts across the borough including Stratford Park. This funding will allow activeNewham to offer a comprehensive outdoor Tennis programme for Newham residents. In addition to the tennis focused programme this partner will continue to deliver the successful Themed Fun Runs based at Queen Elizabeth Olympic Park. This offer has proved extremely popular with numbers increasing at each event and on average attracting 150 participants per event, ranging from families, parents running with buggies and recreational runners linked to the Park based running groups. The last part of their programme will be a families programme offering multi-sport opportunities to families and local people.

Other

activeNewham transferred £8,154 from unrestricted funds to restricted funds in relation to several projects. This was done to support and complete those projects that activeNewham had worked on throughout the year.

17 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	117,555	(32,129)
Depreciation charges	218,739	293,786
Pension costs less contributions payable	–	–
Dividends, interest and rent from investments	–	(7)
Loss on disposal of fixed assets	67,514	7,349
Interest accrued for loan	17,217	17,217
(Increase) / decrease in debtors	(388,971)	508,192
(Decrease)/increase in creditors	310,925	(514,548)
Net cash provided by operating activities	342,979	279,860

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property 2019 £	2018 £
Less than one year	32,000	32,000
One to five years	64,000	96,000
	96,000	128,000

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

20 Prior year adjustment

Reserves position	Unrestricted 31 March 2018 £	Restricted 31 March 2018 £	Total £	Unrestricted 1 April 2017 £	Restricted 1 April 2017 £	Total £
Funds previously reported	(1,111,343)	9,300	(1,102,043)	(1,065,907)	26,993	(1,038,914)
Adjustments on transition						
Derecognition of defined benefit pension scheme	880,000	–	880,000	849,000	–	849,000
Funds restated on transition	(231,343)	9,300	(222,043)	(216,907)	26,993	(189,914)

Impact on income and expenditure

	Unrestricted 31 March 2018 £	Restricted 31 March 2018 £	Total £
Net movement in funds as previously reported	(45,436)	(17,693)	(63,129)
Adjustments on transition			
Derecognition of gain on defined benefit pension scheme	(63,000)	–	(63,000)
Derecognition of payroll expenditure for defined benefit pension scheme	94,000	–	94,000
Net movement in funds as restated	(14,436)	(17,693)	(32,129)

On the 27 March 2019, LBN confirmed that the defined benefit pension liability ultimately rests with them as there is a “pass-through” arrangement. This was formalised in a revision to the original business transfer agreement and takes effect from 1 April 2017. Therefore the prior year adjustment reflects the removal of the pension liability and asset with effect from 1 April 2017.