

Company Registration Number: 08484436 (England and Wales)

Charity Registration Number: 1153198



(a Company limited by guarantee and not having a share capital)

Trustees' Annual Report and Financial Statements

For the Year Ended 31 March 2021

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Legal and Administrative Information for the year ended 31 March 2021

Trustees	David Hall (Chair)	
	Jane Riley (Vice Chair)	
	Judith Stonebridge (Vice Chair)	Resigned 21 April 2021
	Modaser Choudhary	
	Malcolm Copland	
	Steve Crosland	
	Lindsay Muers	Resigned 9 June 2021
	James Murray	Resigned 22 April 2021
	Frances Naylor	Resigned 7 April 2021
	Claire Riley	
Secretary	Peter Stonell	Resigned 13 May 2020
	Karla Sweeney	Appointed 1 April 2021
Chief Executive	Mark Warnes	
Company number	08484436	
Charity number	1153198	
Registered Office	Concordia Leisure Centre Forum Way Cramlington Northumberland NE23 6YB	
Bankers	The Co-operative Bank Norfolk House 84 - 86 Grey Street Newcastle Upon Tyne NE1 6BZ	
Legal Advisers	Wrigley Solicitors 19 Cookridge Street Leeds LS2 3AG	
Auditors	Mazars LLP Bank Chambers 26 Mosley Street Newcastle Upon Tyne NE1 1DF	

Trustees' Annual Report for the year ended 31 March 2021

TRUSTEES' REPORT

The Trustees, who are Directors for the purpose of Company law, present their annual report (including the Strategic Report) on the affairs of the Charity and the Group, together with the financial statements and the auditor's report for the year ended 31 March 2021.

Introduction

Active Northumberland is a registered Charity (Company limited by guarantee) formed in 2014 from a merger of several different leisure service providers. Active Northumberland employs circa 787 people, of which 388 are contracted (equating to circa 265 full time equivalent employees) and a Board of Non-Executive Directors (Trustees) with a relevant range of expertise and senior level management experience.

Mission and Proposition

Active Northumberland delivers leisure services on behalf of Northumberland County Council with the aim of improving and supporting the lives of residents and visitors to the County by primarily increasing population physical activity levels, thereby improving health and wellbeing in line with Northumberland County Council's strategic objectives.

Active Northumberland's proposition is "To provide great experiences in great places for everyone".

Vision and Focus

Active Northumberland's vision is "To be the best community leisure and wellness provider in the UK".

Active Northumberland's focus is to deliver a Transformation Strategy that will allow us to become a nationally leading leisure trust through optimising participation in our leisure services and by delivering a wider, positive impact across health, social care and education with outstanding levels of quality and efficiency.

Structure and Governance

Board of Trustees

Chair	David Hall	Trustee	Steve Crosland
Vice Chair	Jane Riley	Trustee	Lindsay Muers
Vice Chair	Judith Stonebridge	Trustee	James Murray
Trustee	Modaser Choudhary	Trustee	Frances Naylor
Trustee	Malcolm Copland	Trustee	Claire Riley

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Executive Leadership Team

Interim Chief Executive	Mark Warnes
Head of Operations and Services	Paul Metcalfe
Head of Commercial and Resources	Jo Farrier
Head of PE, School Sports and Sports Development	Franki Clark
Strategic Capital and Estates Manager	Leanne Beattie

Active Northumberland is a Company limited by guarantee, established under a Leisure Partnership Agreement with Northumberland County Council which lays out the objects and powers of the Company and is governed under its Articles of Association.

Active Northumberland is governed by its Board of Trustees. The Articles of Association were reviewed and amended on 17 April 2019 by removing the provision for organisational members in order to strengthen Trustee governance.

There is provision for an unlimited number of Trustees, with 10 serving during 2020-21. Trustees are required to bring a mix of skills and experiences which include customer engagement and advocacy, health improvement, corporate law and governance, finance, and commercial sport and leisure services and/or marketing to help oversee the overall management of the Company and to maintain a sustainable business.

The Board has worked to assure themselves that the Company is delivering effectively against its key aims and charitable objectives. The Board has implemented arrangements in line with the Partnership Agreement with Northumberland County Council so that Active Northumberland manages the operation of leisure facilities and services on behalf of the Council. The Partnership Agreement coupled with a performance management framework ensures progress is appropriately recorded and acknowledged, and that under Active Northumberland's management Northumberland County Council's leisure assets and resources are optimised and successfully contribute to the Council's strategic priorities.

The Company is managed by the Board and Executive leadership team through financial and non-financial key performance indicators, thorough budget monitoring, key national benchmarking performance and service quality indicators. This is all monitored and reviewed using the Company's Corporate Scorecard.

Monthly budget meetings and review meetings are held by Executive Management with the Senior Management, the Finance Team, and budget holders to review performance and progress, and in turn the Executive management report bi-monthly to the Board's Finance and Audit Committee and in turn full Board meetings.

Active Northumberland has developed a Strategic Risk Register and stringent health and safety arrangements which are routinely monitored and reported at board meetings.

Induction of new Trustees is undertaken jointly by the Company Secretary and the Chief Executive which ensures new Trustees know and understand their responsibilities as a Trustee of the charitable Company; and they have an insight into the activities of Active

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Northumberland. They are also introduced to the relationship between Active Northumberland Limited and Active Northumberland Trading Limited.

The Board of Trustees has signed up to and acts within the principles of the Active Northumberland Governance Code of Conduct. A standing agenda item, enabling Trustees to declare any relevant interests, is included at each Board meeting. The Board has agreed a Conflicts of Interest Policy taking account of the Charity Commission and Regulator Guidance.

During 2020-21 the Board convened every two months. Meetings were attended by members of the Executive Leadership Team along with the Finance Manager. This ensured representation of key personnel with responsibility for the leadership of strategic business development areas and service delivery functions. All meetings during this financial year have been conducted virtually due to the COVID-19 pandemic but will revert to face-to-face meetings as soon as it is safe to do so.

A minimum attendance of 50% for all Board meetings has been agreed and attendance at Board meetings remains high at 90% overall. This is monitored by the Company Secretary and reported to the Board on an annual basis enabling any issues to be addressed. All Board meetings have taken place as planned; thus, enabling effective decision making throughout the year.

A Code of Practice for Trustees is in place and signed-up to by all Trustees on appointment. An annual declaration of interest is also completed and reported to the Board. A skills audit was undertaken in June 2019 and is now being used in the recruitment of Trustees.

Companies Act 2006 - 172 Duty to promote the success of the Company

(1) A Trustee of a Company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term,

Board members have been selected from a broad range of businesses and industry sectors with a wealth of experiences at the highest level to ensure that those professional experiences and knowledge base can be drawn upon for the benefit of the Company. All Board members have the best interests firmly at the heart of the decisions that are taken and through the collective decision and reasoning would always act in the best interests of the Company. Any declarations of interest from Board Members are always declared and minuted at the beginning of every Board Meeting.

(b) the interests of the Company's employees,

The Board is firmly behind the development and welfare of all employees and ensures that training and welfare is at the centre of the Company's Transformation Strategy and Corporate Scorecard monitoring.

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(c) the need to foster the Company's business relationships with suppliers, customers, and others,

Please see section - **Suppliers**

(d) the impact of the Company's operations on the community and the environment,

The Board are keen to promote the perception and footprint of the business within the community and environment. As part of the Business Transformation Strategy, the rebranding of the Company along with the setting of a new set of values and vision for the Company demonstrates this very well. Environmentally the Company has pursued a green initiative to switch to greener fuel sources through the installation of solar panels at some facilities as well as reducing packaging and waste through the Company's food and beverage facilities and outlets.

(e) the desirability of the Company maintaining a reputation for high standards of business conduct, and

High standards and reputation are monitored and upheld through the performance management of the Company through the Corporate Scorecard that uses metrics and nationally benchmarks standards. As part of our Transformation Strategy, we are preparing our centres to be accredited by Quest in order to demonstrate the very high standards being delivered and achieved at our locations.

(f) the need to act fairly between members of the Company.

The Company rigorously follows our policies regarding the treatment of our colleagues and we ensure that all engagement is done in a non-biased and fair manner ensuring not to discriminate against anyone no matter their ethnic background, religion, gender, social background or ability. We engage closely and regularly with our Unions GMB and Unison to help us shape and develop our Company policies.

Management

Active Northumberland's administration base resides within the Concordia Leisure Centre which is the registered office. Active Northumberland is managed by a Chief Executive who reports to the Board of Trustees. Mark Warnes was appointed as Interim Chief Executive and commenced duties on 18 February 2020.

During the year the need for an experienced Executive Leadership Team responsible for the delivery of leisure services across the Company was recognised by the Board and therefore an additional appointment is currently being recruited in the form of a Financial Director in order to strengthen this team. The Board and Interim Chief Executive, together with the Executive Leadership Team are responsible for the strategic direction of the Company.

The Executive Management are responsible for the day-to-day operation and development of the business and follow the annual financial business plan and Transformation Strategy as set out in agreement with the Board.

The Board is responsible for setting the pay and remuneration of key leadership personnel.

Trustees' Annual Report for the year ended 31 March 2021

Significant management progress has been made in that:

- A Partnership Agreement which includes a three-year management fee reduction commitment which assumes the maintenance of services and the absorption of cost inflation is in place. The Partnership Agreement ends on 31 March 2022 and will be due for renewal. Negotiations around the renewal are ongoing with the Council and are forming part of an overall Lesiure Review of all Council Leisure Services.
- The three-year Company strategy (Transformation Strategy) that was launched in May 2019 continued to be rolled out and the new Active Northumberland brand has been successfully implanted across much of the estate, along with the new Food and Beverage brand Hive which has also been used to rename our 2 Ten Pin Bowling buisnesses at Concordia and Wentworth, and are now Hive Bowling.
- A new Strategic Outcomes Framework was produced in July 2019 to be further developed with partners involving cross cutting health, social care, education, and employment outcomes. This is still in progress.
- A comprehensive action plan was produced and completed addressing the challenges and issues raised in the Active Northumberland employee survey undertaken in 2017 and 2019. The results of the 2019 survey were significantly better than 2017 and therefore the survey has been conducted annually to ensure that we are able to continue to compare year on year performance. Due to the COVID-19 pandemic, 2020's survey was delayed in order to ensure that sufficient staff had returned to the business so that data could be captured in order to make a suitable comparison. A decision was taken in January to use a nationally recognised company to survey our staff in order that we can obtain national benchmarking. We have selected the partner Great Places To Work and the survey will be sent to colleagues during November 2021, with a view to receiving results before the end of the year.

Our new Internal Auditor TIAA conducted their first phase of their 3-year audit plan. Business Planning, Business Transformation, Creditor Payments, Cyber Security, Income Collection and Safeguarding audits were all undertaken, and the results were all extremely positive with only very few minor recommendations being put forward for action.

Service level agreements for the supply of the following services are in place with Northumberland County Council:

- Shared Services Procurement Team
- Communications
- Health and Safety
- Information Services
- Human Resources and Organisational Development
- Corporate Financial Services
- Energy

Trustees' Annual Report for the year ended 31 March 2021

- Reactive Repairs and Planned Maintenance
- Statutory Maintenance, Testing and Inspection

Staffing

Active Northumberland employs circa 787 people, located across Northumberland. Due to the nature of the business a number of employees are employed on a seasonal/casual basis. The number of positions has reduced significantly during the financial year as a result of many casual staff members leaving due to the closure of our centres during the forced closures due to COVID-19. As a result of the staff survey feedback and as a direct result of COVID-19, our employee communications have significantly improved, utilising a wide range of methodologies to keep staff informed about the Transformational Strategy, highlighting the challenges facing the Company in the immediate and long term, expected return to work dates, and directional information to health and mental welfare assistance.

The overall business review programme has delivered a positive impact on employees and Company performance. The review programme is ongoing with regards to policy and practice rationalisation, including the review and replacement of Human Resource Policies in partnership with Trade Unions and further development and streamlining of central support services.

Continual improvement and change are being supported by a programme of leadership development and high-quality professional development opportunities for employees aligned to the objectives of the new Transformation Strategy.

Following government guidance with respect to the COVID-19 pandemic, all facilities managed by Active Northumberland were closed to the public on 20 March 2020, with all but essential staff asked to remain at home. Further closures were also experienced during November 2020 and from January until mid-July 2021.

The forced closures had a serious and catastrophic impact on the business's ability to generate revenue, and therefore Senior Management and the Board were forced to take the difficult decision to place the majority of the Active Northumberland workforce on furlough during the closure periods. 40 staff were initially retained so that operation of the business could continue at a minimal level during this period and this number also included positions which were publicly funded and are not eligible for furlough. All employees who were on furlough were paid in line with the Government's Coronavirus Job Retention scheme. Northumberland County Council supported Active Northumberland colleagues during the first 3 months of the furlough period by contributing the extra 20% of salary by way of a top up to each member of staff's salary that were on furlough.

During the furlough period staff members were kept up to date with the latest information around their work, their personal wellbeing and voluntary work options by email, telephone, a dedicated staff website page, by letter as well as General Managers holding virtual coffee mornings.

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Suppliers

The Company works with many suppliers across many different areas of operation including goods and services. Supply chains are reviewed periodically in line with the terms of our engagement with our suppliers and any service level agreements that we have in place. In the event that there is a requirement to review or change any of our suppliers then we go through a thorough tendering process. Where it involves a significant purchase of goods or services, we use the procured services of Northumberland County Council's Procurement Team to conduct the tendering process. The Board holds a strong desire to give local businesses every opportunity to tender for the procurement of all our required goods and services, and these are always evaluated in line with the transparent and robust procurement tendering process. The Board appreciates the importance of fostering supplier relationships to ensure that there is quality and consistency of goods and services to the business, and any changes to significant suppliers would be in agreement with the Trustees. During the initial forced closure, we took the opportunity to rationalise our food and beverage supply chain. The result of this review and tender was that we reduced our supply chain down to two main suppliers, one which focused on our food purchases and another that solely focused on our wet spend.

Impact of COVID-19

Our business was significantly impacted in the four weeks leading up to our financial year end 2019-20. On 20 March 2020, the government issued guidance to close all leisure facilities with immediate effect. The subsequent closure meant that as of that date the business ceased to be able to generate revenue from our normal business activity and there was no clarity issued as to the length of time the business would be in a period of forced closure.

The immediate closure resulted in the business taking the very difficult decision to place a vast proportion of our contracted, casual, and seasonal staff on the Government Job Retention Scheme as of 1 April 2020. We did however retain the services of a selected number of employees to fulfill important roles that would enable the business to function in a dormant state, and for it to be able to continue maintaining critical services for the following crucial areas:

- Property maintenance
- Plant and swimming pool maintenance
- Staff and customer communications/PR
- Office administration support
- Animal welfare at The Pegasus Riding School
- School PE provision
- GP referral service

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By reducing the number of employees remaining on payroll we managed to successfully reduce our financial exposure and meant that our existing cash reserves would not be depleted so quickly and would place the business in a stronger short and mid-term cash position. Our continued communication with colleagues provided up to date information as we knew it to ensure that they were as informed as much as possible and to ensure that we signposted them to support services and management if required.

During closures, those colleagues that continued to work were mainly home working and meetings were held regularly via virtual platforms.

Once the business was able to re-open services it was clear that we needed to review and reduce the number of casual and seasonal staff on our payroll in order to better match service to customer demand and subsequent enforced service restrictions. For those services that were not able to be resumed, staff remained on furlough to further protect our cash reserves and roles for as long as possible.

Upon realising that our enforced closure was going to be prolonged we immediately looked at all areas where we could reduce operating costs. These included:

- Reduced staff numbers to cover essential activity
- Furlough of all other colleagues
- Switching off all non-essential services to reduce utility costs
- Claiming business rate relief
- Pool temperature reductions
- Refund claim for unused draft beers from our bar outlets
- Tendering process commenced to look at how we might reduce costs on consumables
- Looked to bring forward planned remedial work at centres to avoid later closures when we could have been opened
- Application made to the National Leisure Recovery Fund for support funding (£0.75 million)

Fortunately, the grant funded elements of our provision have continued to be paid and no requests have been made by funders given the unforeseen circumstances.

As soon as we knew that the closure was going to be sustained, we entered discussions with Northumberland County Council. These discussions have been entered into, in the spirit of full and open partnership. The Council responded by financially supporting Active Northumberland to assist our employees by paying the salary top up to 100% while on the Government Job Retention Scheme. This offer was made to run until 30 June 2020.

Further discussions continued between Active Northumberland and the Council and an open book process has been in operation to ensure that they are fully aware of the continuing levels of revenue support that were and will be required to ensure liquidity of the business as we continue through this pandemic.

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A full NCC leisure services review is being undertaken to ascertain which operator / service should operate all of their individual facilities and whether some services should continue, and this review is anticipated to be complete by January 2022. The pandemic has caused a serious level of disruption during the financial year of reporting, and we expect revenue challenges to continue throughout 2021-22 as some restrictions have remained in place and continue to affect our ability to generate revenue.

Revenue streams have been dramatically affected by the pandemic and these are continually reviewed in line with the Council's finance team as part of our open book process and in line with our service agreement.

We do not currently envisage any disruption to our supply chains going forwards, and we are in continual communication with our current suppliers surrounding ongoing collaboration and continued levels of service.

Financial Matters and Funding Streams

In addition to income generated specifically from service provision and delivery, Active Northumberland receives funding from:

- Northumberland County Council management fee.
- Donations – Prior to 2019-20 Advance Northumberland gave a charitable donation of up to £1.00 million to Active Northumberland however this arrangement has now ended. Due to the cessation of the arrangement it was agreed at the meeting of the County Council on 19 February 2020 that the Council would increase the management fee in 2019-20 and the subsequent two years by up to £1.00 million.
- Sport England (grant funding for specific projects).
- Town and Parish Councils (grant funding for specific projects).
- During the pandemic we successfully applied for all applicable Business Rate Grants in line with the government support for businesses package.
- Active Northumberland also successfully secured £0.75 million from the National Leisure Recovery Fund. The funds have been allocated between 2020-21 and 2021-22 in line with the funding guidance.
- The Council has provided a letter of support to Active Northumberland to ensure continued liquidity and to safeguard Active Northumberland's cash reserve. This letter of support runs through 2020-21 and 2021-22.

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Public Benefit

The charitable Company is a public benefit entity. When considering its proposed plans of activity, the Trustees have considered the Charity Commission's guidance on public benefit, and fee charging.

Improvements introduced to benefit customers and to improve their experience are summarised as follows:

- New look rebranded website has been successfully launched with further developments planned.
- Faster online joining experience for members, reducing time from 11 minutes to 3 minutes.
- Introduction of a new customer revenue management solution to reduce debt.
- Introduction of paperless customer information via the Active Northumberland App and online.
- New corporate membership offers for public service employees.
- New armed forces membership offers, and Bronze Covenant status achieved.

Operational Activity

Our People

Active Northumberland operates from nine main leisure centres (some of which combine library services), plus three school sports facilities and several community facilities, including Hirst Welfare and Pegasus Riding Centre. Significant progress has been made with regards to the development of products and services, summarised as follows:

- An independent evaluation of the Exercise on Referral Service has been completed to inform developments that will improve performance and deliver sustainability. A new pricing model and weight management element has been implemented as a result of the review.
- The management of the Sports Development Service had transferred from Northumberland County Council to Active Northumberland but due to COVID-19 has reverted back to Northumberland County Council for the time being.
- The new improved aquatics and sports/gym accessory retail offer has been introduced across the estate and now that we have moved to more normal levels of footfall, we have seen sales flourish, although due to supply issues our performance has been somewhat restricted.
- A strategic review has been undertaken for our catering provision and our vending supplier has been sourced with the brief of offering nutritious and healthy options.
- Our PE and school sport programme has continued to operate throughout the pandemic and has been instrumental in supporting many of our partner schools during the pandemic.

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- Our bespoke physical activity scheme to engage mums (“Mams on the Move”) has continued when it has been possible around the restrictions and has continued to increase participation and to help reduce the risk of postnatal depression. This has been very successful, and we see this being a continued and successful wider activity going forwards.
- A Companywide rollout of the Hive brand has been implemented across most of the café sites and a rebrand of the two ten pin bowling centres at Hexham and Cramlington have been rebranded as Hive Bowling as a replacement to Strike Bowl.
- A strategic review of the Group exercise programme has been undertaken and the consistent introduction of Les Mills across facilities has been completed.
- We have implemented a new automated holiday booking portal (Oracle) for staff members to log their annual leave. This now makes reviewing and authorising annual leave much easier and provides management with full reporting and provides clear visibility of annual leave consumption.
- A new Training Portal (Future Fit) is now in place for all colleagues to register and undertake training and record CPD. This now provides an easy central point for colleagues to record their records and provides management with invaluable data reporting.
- Our values and vision ensure that we offer equal opportunity to colleagues and customers no matter their social background, ethnicity, religious beliefs, or ability.
- At Active Northumberland we put the needs of all our customers first and are committed to providing a responsive, accessible, and professional service that seeks to improve at every opportunity (customer service statement). Our service proposition is to “provide great experiences in great places for everyone”.
- One of our published values is that we are an inclusive trust “Our commitment to inclusion means we understand and respect differences, we collaborate as a team and we break down barriers to enable people who are socially excluded, disadvantaged, isolated and vulnerable to participate and achieve their goals”.
- Active Northumberland is an equal opportunities employer, regardless of protected characteristics. Recruitment is managed by Northumberland County Council, and the Council has been awarded “disability confident” accreditation, as a demonstration of both Active Northumberland’s and Northumberland County Council’s commitment to not treat disabled people less favorably. Should applicants request consideration under the guaranteed interview scheme. Applicants with a disability are guaranteed an interview, provided that they meet the essential criteria outlined in the person specification.

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Our Facilities

The majority of our facilities are owned by Northumberland County Council and are leased to Active Northumberland to deliver services. Progress relating specifically to facilities can be summarised as follows:

- New pool plant was installed at Concordia, Blyth, Prudhoe Waterworld, Willowbum and Rothbury leisure centres.
- Groundworks commenced in January 2020 for the new leisure facility in Berwick but was put on hold for three months due to the COVID-19 pandemic. The construction is still behind schedule due to the ongoing COVID-19 impact, but the main part of the project is due to be handed over to us at the end of November 2021, which will provide a new main swimming pool, studio pool, splash zone, fitness studios, gym, spa, spin studio, indoor bowling green, and café. A brand new 3G sports pitch has been handed over to us during April 2021 and is already a huge success. The last phase of an enlarged car park and main sports hall is due for completion in 2022.
- An additional one-year lease was granted by the landowner for Pegasus Riding Centre, securing the home of the Riding for the Disabled Association (RDA) until May 2022.
- Northumberland County Council announced a £1.50 million community refurbishment scheme for Newbiggin Sports and Community Centre. Planning has now been passed for the project and work commenced during November 2021 with a 9 month planned construction time. The refurbishment will include a new roof and remarking of the floor to the main sports hall, refurbished and enlarged gym area, new spin studio, new dry change facilities, relocation of the library and general redecoration. Northumberland Communities Together are to operate part of the building which will include the bar and community hall.
- Accident reporting and monitoring was moved across to a national database, Stitch, which has allowed for national benchmarking of accidents and causes.
- A restructure of the Senior Leadership team in August 2021 has reduced the Area Managers from 7 to 4, and we have created specific roles as a resource to allow a manager to focus on Quality Management across the Estate, and to specifically focus on Wellness and Membership retention. A programme of audits and improvement plans have already been identified to ensure a consistent and safe approach is established across the Estate.
- As part of a wider management restructure, we have reduced the number of Swim Coordinators from 7 to 4, and Fitness Managers from 7 to 4, in order to create focused full time roles that can take ownership and drive customer delivery. Our Administration Managers have also been reduced from 9 to 4 through process efficiency and now form part of an overall regional management structure along with the swim coordinators, fitness managers and General Managers.
- Environmental measures included reduction of plastic waste through removing disposable blue shoe covers to access pool changing rooms and the introduction of reusable takeaway cups in the cafes.

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- We are continuing to improve access and services at our facilities for disabled customers and staff, with the installation of new pool equipment as well as planned construction of new changing places at Newbiggin, Berwick, Ponteland, Blyth and Morpeth. We have also invested in specific Octane gym equipment at Wentworth and further investment is already planned at all our new centres under construction. As part of our new build and refurbishment programme we are working directly with an Access and Inclusion Consultant to take all possible design applications into consideration.
- Construction of the new £21.00 million leisure centre in Morpeth commenced in January 2021 and is due for completion in 2023.
- Extensive work to the studio pool has been flagged at both Rothbury and Wentworth leisure centres. Rothbury's swimming pool will be closed for several months due to the nature and scale of the work required (£0.10 million), and Wentworth's studio pool was completed in August 2021.
- The brand new Ponteland Leisure Centre was opened at the end of November 2020, but due to COVID-19 was closed almost as soon as it opened. The centre reopened on 12 April 2021 and provides an array of brand-new activities and facilities including climbing walls, soft play area, spa, spinning studio, gym, café, and sports bar.

Our Partners

Active Northumberland primarily serves the residents of Northumberland and in doing so recognises the need to work collaboratively with like-minded partners to take advantage of the vast opportunities available to deliver shared and overlapping objectives. Active Northumberland's endeavors to maximise partnership working has led to the following progress:

- A pioneering research and development project is planned with Technogym, and Westfield Health to radically improve customer experience and outcomes, moving from a fitness focus to a holistic wellness focus.
- A research and evaluation partnership for specialist Exercise on Referral services is in place with Edinburgh Napier University.
- The inclusive County School Games has been successfully supported virtually due to the COVID-19 pandemic. This was delivered by way of physical activity as opposed to a traditional competition format engaging young people through participation, and leadership opportunities.
- Continued proactivity towards supporting national industry developments which have furthered learning and raised the profile of Active Northumberland with Community Leisure UK, UKactive, Chartered Institute of Management of Sport and Physical Activity, Swim England, and Swim Scotland.

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- An audit of the aquatic development programme was undertaken, in conjunction with the Institute of Swimming and Swim England, to provide the information to make changes to the swimming development programme. This was part implemented during 2020 but will be reviewed and reimplemented during 2021 once we are able to return to normal operating.

Risk Management

A revised and improved risk register is in place and is managed by the Head of Operations and Services with oversight from the Chief Executive and the Board. The scoring methodology has substantially changed since 2017-18, and a number of key risks have been successfully closed. The Board receives regular reports for consideration and take action as required.

Key strategic risks going forward are summarised as follows:

- Failure to be able to facilitate numbers of customers due to possible social distancing restrictions following the COVID-19 pandemic.
- Failure to generate sufficient revenue as a result of the forced closures, and ability to remain liquid.
- Failure to maintain viability with a reducing management fee and operate within an increasingly competitive and challenging commercial trading environment.
- Failure to develop and retain the capability within the workforce to deliver the strategic objectives identified within the Transformation Strategy.
- Failure to position the Company as a credible provider of an increased range of specialist services within the health, social care, and education commissioning marketplace.
- Failure to maintain a responsive and dynamic range of central support services that can assist transformational developments and change at pace.

Financial Risk Management Objectives and Policies

The financial instruments used by the Group are cash and banking facilities and these provide finance for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The Trustees review and agree policies for managing these risks, which are as follows:

Credit Risk

The Group's principal financial assets are cash and debtors. All cash deposits at the balance sheet date were held in the UK. Reputable financial institutions are used in the placement of cash deposits, to reduce the overall credit risk to the Group. In addition, the Group reviews the debtor position regularly. The Group considers the risk of significant bad debts to be low; however, this will need to be reviewed regularly as a result of the COVID-19 pandemic and subsequent economic uncertainty.

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Liquidity Risk

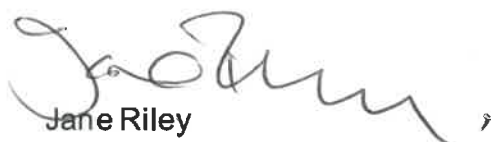
The closure of all Active Northumberland's facilities on 20 March 2020 resulted in a complete cessation of all revenue streams for the business with no sign of when business restrictions would be lifted. The Company's current cash reserves ensure liquidity for 4-5 weeks, although we have been provided with a letter of support from Northumberland County Council to ensure that we can continue to be a liquid Company and to sustain our cash reserve at £1.328 million.

As soon as we knew that the closure was going to be sustained and not a brief closure, we entered discussions with Northumberland County Council to discuss our current circumstances. Discussions continue to take place between Active Northumberland and the Council, and an open book process has been in operation in order that they are fully aware of the continuing levels of revenue support that will be required to ensure liquidity of the business.

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Certain information required to be disclosed in the Trustees' Report, including principal risk and uncertainties by regulations made under section 416(4) CA 2006 to be disclosed in the Trustees' report, are covered in the Strategic Report as the Trustees consider that these are of strategic importance.

Approved by the Board and signed on its behalf by:



Jane Riley

Vice Chair

Date:

8/12/21

Trustees' Annual Report for the year ended 31 March 2021

STRATEGIC REPORT

Financial Review

Financial Performance

The overall result for the Charity, and its trading Company, for the financial year was a loss of £570,092 (2019-20: £719,006 loss) before actuarial losses/gains on the defined benefit pension scheme.

The loss of £570,092 relates to a net expenditure of £609,000 relating to pension charges; and a net income of £38,908 against restricted funds which is due to the transfer of reserves relating to school games services and the inactivity project.

Reserves Policy

The reserves policy is to meet the needs of the organisation and agree a suitable level of reserves to meet any reasonable contingency that may arise. Currently the Board is agreed that a reserve of 10% turnover or three months staffing costs (£1.50 - £2.00 million) is appropriate as long as the Partnership Agreement with Northumberland County Council remains in place.

As at 31 March 2021 reserves consist of unrestricted general funds of £1,327,548 (2019-20: £1,327,548), designated funds of £6,534,000 deficit (2019-20: £4,072,000 deficit) and restricted reserves of £192,848 (2019-20: £153,940).

Investment Policy

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the Trustees see fit. The Charity is now utilising the financial information system and therefore the bank account of Northumberland County Council for all payments and receipts.

Principal Funding Sources

- Northumberland County Council management fee
- Sport England (grant funding for specific projects)
- Town and Parish Councils (grant funding for specific projects)

Going Concern

The Active Northumberland Board agreed a negative budget for the financial year due to the uncertainty caused around the forced closures as a result of the COVID-19 pandemic and our obvious loss of all revenue. In previous years Advance Northumberland gave a charitable donation of up to £1.00 million to Active Northumberland however this arrangement has now ended. Due to the cessation of the arrangement it was agreed at the meeting of the County Council on 19 February 2020 that the Council would increase the management fee in 2019-20 and the subsequent two years by up to £1.00 million.

Trustees' Annual Report for the year ended 31 March 2021

Discussions continue to take place between Active Northumberland and the Council, and an open book process has been in operation since the very beginning of the pandemic in order that they are fully aware of the continuing levels of revenue support that will be required to ensure liquidity of the business. In February 2021 the Council confirmed it would provide significant additional financial support during the 2020-21 financial year to enable Active Northumberland to deliver financial balance and to maintain its current level of reserves. During 2021-22 the Council expects to be able to access additional national funding on behalf of Active Northumberland.

Reports on Financial Performance for 2020-21 have been produced on a monthly basis from August 2020. The reports are agreed with the Executive Team and are reported to the Finance and Audit Committee and the Active Northumberland Board. Work has been ongoing throughout the year to model budgets based on estimated lockdown restrictions and occupancy levels. Following the Government's "road-map" announcement on 22 February 2021 more detailed budget planning has commenced based on the stepped phases of this plan. The Charity's unrestricted reserves are £1.328 million.

Funds in Deficit

All employers with final salary pension schemes must include the financial position of the pension fund in their own accounts, in accordance with FRS 102. At 31 March 2021 the Charity's share of the Tyne and Wear Pension Fund deficit was £6,534,000 which is shown in the balance sheet as a liability (31 March 2020: £4,072,000).

Following the merger of Northumberland County Council Pension Fund into Tyne and Wear Pension Fund (TWPF) on 1 April 2020, Active Northumberland became a LGPS admission body in TWPF. Northumberland County Council has given a guarantee to TWPF in respect of Active Northumberland's LGPS liabilities. The guarantee can be called on should Active Northumberland default on its obligations to TWPF.

Due to changes in pension legislation, and the long-term uncertainty about pension scheme costs, Active Northumberland undertook a rigorous evaluation process and joined the SPORTA pension scheme, Friends Life, and this provider is now the vehicle for "auto-enrolment" for employees.

Funds Held as Custodian Trustee on Behalf of Others

Active Northumberland holds cash funds on behalf of Blyth Valley Trust for Youth, a registered Charity (number 514145) with objectives of the advancement of education and wellbeing of young people from the borough of Blyth Valley. Details of the amounts at the year-end can be found in note 28.

Trustees' Annual Report for the year ended 31 March 2021

FUTURE PLANS INCLUDING RISKS AND UNCERTAINTIES

Working with Northumberland County Council and our partners we will be very busy in the year ahead, future plans are summarised as follows:

- Further develop the look and feel of our website and App based upon customer feedback and introduce an industry leading customer journey and reception experience across the estate.
- Full opening of our innovative new leisure centre in Ponteland, giving us additional revenue earning potential over the current facility which will be demolished during phase two of the transformation project of the new school and leisure facility.
- Develop a bespoke corporate wellness service offer using the learning achieved from the EXOS, Westfield Health, Technogym and Sheffield Hallam University test and learn project.
- Continue to develop our Exercise on Referral Scheme including the introduction of a weight management component with our Public Health Team partners, Momenta and Edinburgh Napier University.
- Continue to develop our new catering and vending brand that seamlessly aligns with our vision to provide great places to relax, work and socialise with high quality nutritional options and solutions for our customers.
- Introduce a Quality Management Framework to drive the successful achievement of Quest accreditation at our larger facilities.
- Re-introduce our aquatics programme consistently at all facilities and deliver a bespoke recruitment and development programme for swimming teachers with our partners the Institute of Swimming.
- Continue to develop our Group exercise programme making Les Mills a core feature at all our facilities.
- Develop and roll out our new outdoor Bootcamp product across the portfolio to promote vigorous and healthy outdoor physical exercise.
- Further develop community volunteering to grow and sustain activities to combat postnatal depression with our partners Sport England and the University of Northumbria.
- Continue with the second phase of our Leadership Continuing Professional Development programme with a long-term commitment to developing leadership, qualifications, and skills.
- Produce our Workforce Development Plan to fundamentally transform our workforce from a fitness focus to wellness focus with our partners Future Fit.
- Introduce a leading-edge PE and school sport Continuing Professional Development programme for teachers with our partner schools to drive the consistent offer of high-quality PE and school sport countywide.

Trustees' Annual Report for the year ended 31 March 2021

- Acknowledge and celebrate our employee achievements culminating in an awards evening at an external venue.
- Complete the transformation of our head office space at Concordia Leisure Centre that will occupy the former Cramlington library space.
- Complete the design and planning phases for Berwick, Morpeth, Newbiggin, and Blyth Sport and Leisure Centres with our partners Advance Northumberland, GT3 and JDDK architects.
- Complete energy efficiency audits and produce a new progressive energy efficiency and recycling plan to reduce our carbon footprint.
- Develop and roll out revised Company Goals and Vision to the workforce through marketing campaigns and road shows.

Investment in Leisure Facilities

Northumberland County Council has invested significantly in sport and leisure provision across Northumberland and continues to provide investment in leisure facilities through business plans being submitted and agreed with Active Northumberland. This has resulted in £0.70 million to refurbish the gym and reception area at Wentworth (Hexham) which was completed in September 2019, coupled with the relocation of Northumberland Adult Learning into four new refurbished classrooms. Further major investments involve rebuilding state of the art leisure facilities in Ponteland, Berwick and Morpeth, and the refurbishment/redevelopment of Blyth Sports Centre. A new project has commenced which will see an investment of £1.50 million to refurbish the Newbiggin Community Centre. Combined committed capital investment is circa £65.00 million. In addition, Northumberland County Council has invested in a planned programme of major repairs and backlog maintenance work which is appropriately scheduled on an annual basis.

Workforce Requirements

The workforce will continue to be kept under review to ensure the Company has the capability to deliver the strategic objectives identified in the Transformation Strategy, whilst maintaining an efficient employee cost base. Effective recruitment and training will ensure that the Company continues to provide equal opportunities in employment and that the workforce continue to have the relevant skills and abilities for the organisation's current and future needs.

To support this, a leadership development programme has been designed and was rolled out from June 2019, and the Workforce Development Plan will be enhanced to include a progressive range of new industry leading professional development opportunities.

The Board recognise that faced with the challenge of transforming services in an increasingly competitive trading environment with a reducing management fee, the Company must develop and retain the expertise and skills necessary to deliver investment and growth, and most importantly to ensure that the Company remains true to its charitable objects.

Trustees' Annual Report for the year ended 31 March 2021

Approved by the Board and signed on its behalf by:

Jane Riley 

Vice Chair

Date: 31/3/21

Trustees' Annual Report for the year ended 31 March 2021

Trustees Responsibility Statement

The Trustees (who are also Directors of Active Northumberland for the purposes of Company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity and 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 the Group) and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company and Group 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 have been followed; and,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in business.

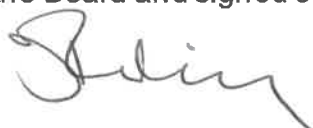
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company (and the Group) 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 and Group's auditor is 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 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.

Approved by the Board and signed on its behalf by:

Jane Riley



Vice Chair

Date:

8/12/21

Independent Auditor's Report to the Members of Active Northumberland

Independent auditor's report to the trustees of Active Northumberland Limited

Opinion

We have audited the financial statements of Active Northumberland Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet ('parent charity' and 'group'), the 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 FRS 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 group's and parent charity's affairs as at 31 March 2021 and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. 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

Independent Auditor's Report to the Members of Active Northumberland

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' Report, which includes the Strategic Report and the Trustees' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Report included within the Trustees' 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibility Statement set out on page 22, the trustees (who are also the trustees of the parent charity 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Active Northumberland

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to a number of Local Government Acts via Nexus the parent body, along with employment regulations, health and safety regulations, anti-bribery, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

Independent Auditor's Report to the Members of Active Northumberland

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 auditor's report.

Use of the audit report

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

Craig Maxwell

Craig Maxwell (Dec 9, 2021 10:52 GMT)

Craig Maxwell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

09 December 2021

Consolidated Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 March 2021

	Note	Unrestricted Funds		Restricted Funds	Total
		General Funds	Designated Funds		
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	4	4,727,096	-	166,336	4,893,432
Other trading activities	5	510,712	-	-	510,712
Income from charitable activities: from leisure services		3,864,210	-	233,644	4,097,854
from management fee		2,460,380	-	-	2,460,380
Other income		15,282	-	-	15,282
Total income and endowments		11,577,680	-	399,980	11,977,660
EXPENDITURE ON:					
Raising funds	5	691,362	-	-	691,362
Charitable activities	6	10,862,000	609,000	360,209	11,831,209
Other expenditure	7	24,318	-	863	25,181
Total expenditure		11,577,680	609,000	361,072	12,547,752
					16,558,245
					2020

Consolidated Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 March 2021

	Note	Unrestricted Funds		Restricted Funds	Total 2021	Total 2020
		General Funds	Designated Funds			
		£	£			
Net income/(expenditure)		-	(609,000)	38,908	(570,092)	(719,006)
Transfers between funds	19	-	-	-	-	-
Net income/(expenditure) before other recognised gains and losses		-	(609,000)	38,908	(570,092)	(719,006)
Other recognised gains/(losses)						
Remeasurement of the net defined benefit pension liability	22	-	(1,853,000)	-	(1,853,000)	(441,000)
NET MOVEMENT IN FUNDS		-	(2,462,000)	38,908	(2,423,092)	(1,160,006)
Reconciliation of funds						
Total funds brought forward		1,327,548	(4,072,000)	153,940	(2,590,512)	(1,430,506)
Total funds carried forward		1,327,548	(6,534,000)	192,848	(5,013,604)	(2,590,512)

All gains and losses recognised in the year are included in the consolidated statement of financial activities. There are no material differences between the net income for the year and the historical cost equivalents.

Balance Sheet

as at 31 March 2021

	Note	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible fixed assets	11	196,229	240,827	196,229	240,827
Long term investment		-	-	1	1
Current assets					
Stock	13	49,006	59,037	37,556	21,767
Debtors	14	3,431,796	3,537,868	3,431,478	3,527,011
Cash at bank and in hand	25	26,720	31,010	24,870	28,510
		3,507,522	3,627,915	3,493,904	3,577,288
Liabilities					
Creditors: Amounts due within one year	15	(1,993,735)	(2,149,321)	(1,980,118)	(2,098,695)
Short term provision	16	-	-	-	-
Net current assets		1,513,787	1,478,594	1,513,786	1,478,593
Total assets less current liabilities		1,710,016	1,719,421	1,710,016	1,719,421
Long term liabilities					
Creditors: Amounts due in more than one year	17	(189,620)	(237,933)	(189,620)	(237,933)
Defined benefit pension liability	21,22	(6,534,000)	(4,072,000)	(6,534,000)	(4,072,000)
		(6,723,620)	(4,309,933)	(6,723,620)	(4,309,933)
NET LIABILITIES	20	(5,013,604)	(2,590,512)	(5,013,604)	(2,590,512)
Funds of the Charity:					
Unrestricted funds		1,327,548	1,327,548	1,327,548	1,327,548
Pension reserve		(6,534,000)	(4,072,000)	(6,534,000)	(4,072,000)
	18	(5,206,452)	(2,744,452)	(5,206,452)	(2,744,452)
Restricted funds					
Ring-fenced grants	19	192,848	153,940	192,848	153,940
		192,848	153,940	192,848	153,940
TOTAL FUNDS		(5,013,604)	(2,590,512)	(5,013,604)	(2,590,512)

Approved by the Board and signed on its behalf by:

Jane Riley



Vice Chair

Date:

8/12/21

Company Registration Number: 08484436

Statement of Cash Flows

as at 31 March 2021

		Group		Charity	
	Note	2021	2020	2021	2020
		£	£	£	£
Cash flows from operating activities	23	42,485	29,899	43,135	30,434
Cash flows from investing activities:					
Interest received		-	-	-	-
Net cash provided by investing activities		-	-	-	-
Cash flows from financing activities:					
Repayment of borrowing		(46,775)	(45,259)	(46,775)	(45,259)
Net cash used by financing activities		(46,775)	(45,259)	(46,775)	(45,259)
Change in cash and cash equivalents in the reporting period	25	(4,290)	(15,360)	(3,640)	(14,825)
Cash and cash equivalents at the beginning of the reporting period		31,010	46,370	28,510	43,335
Cash and cash equivalents at the end of the reporting period	24	26,720	31,010	24,870	28,510

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

1. Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" 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 2019; and the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year. Active Northumberland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The Active Northumberland Board agreed a negative budget for the financial year due to the uncertainty caused around the forced closures as a result of the COVID-19 pandemic and our obvious loss of all revenue. In previous years Advance Northumberland gave a charitable donation of up to £1.00 million to Active Northumberland however this arrangement has now ended. Due to the cessation of the arrangement it was agreed at the meeting of the County Council on 19 February 2020 that the Council would increase the management fee in 2019-20 and the subsequent two years by up to £1.00 million.

Discussions continue to take place between Active Northumberland and the Council, and an open book process has been in operation since the very beginning of the pandemic in order that they are fully aware of the continuing levels of revenue support that will be required to ensure liquidity of the business. In February 2021 the Council confirmed it would provide significant additional financial support during the 2020-21 financial year which will enable Active Northumberland to deliver financial balance and to maintain its current level of reserves. During 2021-22 the Council expects to be able to access additional national funding on behalf of Active Northumberland.

Reports on Financial Performance for 2020-21 have been produced on a monthly basis from August 2020. The reports are agreed with the Executive Team and are reported to the Finance and Audit Committee and the Active Northumberland Board. Work has been ongoing throughout the year to model budgets based on estimated lockdown restrictions and occupancy levels. Following the Government's "road-map" announcement on 22 February 2021 more detailed budget planning has commenced based on the stepped phases of this plan. The Charity's unrestricted reserves are £1.328 million.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Pension obligations of £6.534 million shown in note 22 have been provided in the financial statements in accordance with FRS 102. The pension deficit does not directly affect the ability for Active Northumberland to continue trading and the liability is drawn up using actuarial assumptions. The exact value of the liability cannot be accurately quantified due to the uncertainty of future events. The pension liability does not fall due immediately as it relates to future events.

Given the explanation above, the Board is of the view that Active Northumberland is a going concern and able to meet its liabilities as they fall due.

1.2 Basis of Consolidation

These financial statements consolidate the results of the Charity and its wholly owned subsidiary Active Northumberland Trading Limited on a line-by-line basis for the year ended 31 March 2021. The charitable Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent charitable Company statement of financial activities. Active Northumberland Trading Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A. The results of the subsidiary are shown in note 5.

1.3 Income

Income is recognised when the Group and Charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; and, it is probable that the income will be received and the amount can be measured reliably.

1.4 Grants Receivable

Grants receivable are included in the statement of financial activities within the period to which they relate. If the grants are awarded in respect of particular projects, then all of the income and expenditure arising from the projects is shown as restricted activities.

Where grants related to performance and specific deliverables, they are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance, recognition is deferred and included in creditors; and, where entitlement arises before income is received the income is accrued.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

1.5 Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are accounted for as goods and services are supplied. Resources expended are included on the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is classified under the following activity headings:

- Raising funds are those costs incurred in the delivery of trading activities.
- Charitable activities include expenditure associated with the provision of leisure and health promotion activities. These include both direct and related costs. Expenditure on charitable activities includes direct costs of delivering grants and services, and support costs. These are the functions that assist the work of the Charity but do not directly undertake charitable activities, including management and back office costs. These costs are shown in more detail in note 6.
- Governance costs include expenditure incurred on complying with constitutional and statutory requirements.

1.6 Taxation

The parent Company is a registered Charity and has no liability for corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

1.7 Tangible Assets and Depreciation

Tangible fixed assets are carried at cost less depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of the fixed assets over their expected useful lives on the following basis:

- Fixture, fittings, and equipment – 15 years.

1.8 Investments

Investments in subsidiary undertakings are held at cost less impairment.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. No provision against obsolete or damaged stock is deemed necessary.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

1.10 Pension Costs

Defined Contribution Pension Plan

The Charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payment obligations. The contributions are recognised as an expense in the consolidated statement of financial activities. The assets of the plan are held separately from the Charity in independently administered funds.

Teachers employed by the Charity have membership of the Teachers' Pension Scheme, administered by the Teachers' Pensions Agency. It provides teachers with defined benefits upon their retirement. The scheme is a defined benefit final salary scheme. It is not possible for the Charity to identify its share of the underlying liabilities in the scheme and it is therefore classed as a defined contribution scheme for the purposes of the accounting requirements of FRS 102 and does not form part of the pension deficit.

Defined Benefit Pension Plan

The Charity operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Charity engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Charity's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains/(losses). These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gain/(loss) on defined benefit pension schemes.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

- The increase in net pension benefit liability arising from employee service during the period; and,
- The cost of plan introductions, benefit changes, curtailments, and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets.

The Charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2019.

The Charity is an admitted body of the Tyne and Wear Pension Fund (“LGPS”) and provides pension arrangements to its employees. The scheme is classified as a defined benefit scheme based on final pensionable pay and as such must comply with reporting standard FRS 102. This requires the Charity to disclose certain information concerning assets, liabilities, income, and expenditure related to the scheme for its employees. These disclosures have been prepared by AON Hewitt the actuary of the Tyne and Wear Pension Fund. The purpose of the pensions’ disclosure is to provide clear information on the impact of the Charity’s obligation to fund the retirement benefits of its staff on its financial position and performance. Even where this obligation is discharged through a pension fund, the Charity is responsible for employer’s contributions set at a level to ensure the liabilities of the fund can be met.

The liabilities of the pension scheme attributable to the Charity are included in the balance sheet on an actuarial basis using the projected unit method, that is, an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees.

Assets have been valued at bid value in accordance with FRS 102. Refer to note 21 for further detail. The net pension liability is analysed into the following components:

Current Service Costs

The increase in liabilities as a result of years of service earned this year is allocated to the consolidated statement of financial activities.

Past Service Costs

The increase in liabilities arising from current year decisions that affect years of service earned in previous years.

Interest Costs

The expected increase in the present value of liabilities during the year as they move one year closer to being paid.

Expected Return on Assets

The annual investment return on the fund assets attributable to the Charity based on an average of the expected long-term return.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Actuarial Gains and Losses

Changes in the net pension liability that arises because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.

1.11 Funds

Funds held by the Charity are either:

- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds – these are funds that can only be used for a particular purpose as specified by the donor or when funds have been raised for a particular purpose.
- Designated funds – these are funds that the Trustees have set aside for a particular purpose.

1.12 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The Charity and Group only have financial assets and financial liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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. Cash at bank and cash in hand includes cash and short term highly liquid investments where applicable. 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.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

The area of estimation uncertainty included in the financial statements are:

- At 31 March 2021, Active Northumberland had a net defined pension liability of £6.534 million. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets (as shown in the table below). A firm of consulting actuaries is engaged to provide the Charity with expert advice about the assumptions to be applied. The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 2.4% increase in the discount rate assumption would result in a decrease in the pension liability of £0.803 million. However, the assumptions interact in complex ways. During 2020-21, the Charity's actuary advised that the net pension liability for funded LGPS benefits had increased by £7.060 million due to changes in actuarial assumptions.

Impact on the defined benefit obligation in the scheme	Increase in assumption £	Increase in assumption %	Decrease in assumption £	Decrease in assumption %
Adjustment to discount rate (increase or decrease by 0.1%)	(803,000)	(2.4)	803,000	2.4
Adjustment to salary increase rate (increase or decrease by 0.1%)	100,000	0.3	(100,000)	(0.3)
Adjustment to pension increase rate (increase or decrease by 0.1%)	702,000	2.1	(702,000)	(2.1)
Adjustment to mortality age rating assumptions (increase or decrease in 1 year)	1,204,000	3.6	(1,171,000)	(3.5)

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

3. Financial Performance of the Charitable Company

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary which operates the catering facilities and merchandising sales at the leisure facilities.

The summary financial performance of the Charity alone is:

	2021 £	2020 £
Income	11,284,378	14,469,192
Gift aid from subsidiary Company	-	43
	11,284,378	14,469,235
Expenditure on charitable activities	(11,854,470)	(15,188,241)
Defined pension liability	(1,853,000)	(441,000)
Net income/(expenditure)	(2,423,092)	(1,160,006)

4. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Business Rate Grants	419,947	-	419,947	-
Furlough Grant	4,081,649	-	4,081,649	-
Football Foundation	500	-	500	-
National Leisure Recovery Fund (NLFR)	225,000	-	225,000	-
Schools	-	96,550	96,550	95,738
Sport England	-	69,786	69,786	69,786
	4,727,096	166,336	4,893,432	165,524

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

5. Other Trading Activities

	Other Activities £	Trading Activities £	2021 £	2020 £
Income	320,979	693,282	1,014,261	1,918,919
Expenditure	-	(693,282)	(693,282)	(1,370,004)
	320,979	-	320,979	548,915

Other activities primarily relate to income from hire of facilities and income from the GP Referral Scheme. The expenditure shown also includes the audit fee allocated to other trading activities of £1,920. Trading activities income also includes £503,549 of furlough grant income.

The charitable Company has a wholly owned subsidiary, Active Northumberland Trading Limited, incorporated in England and Wales (Company number 09243253) and pays all its profits to the charitable Company under the gift aid scheme. Active Northumberland Trading Limited operates the bar, catering and all other commercial trading operations with the leisure facilities managed by Active Northumberland. A summary of the Trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
Turnover	693,282	1,370,047
Cost of sales and administrative expenses	(693,282)	(1,370,004)
Profit for the year	-	43
Amounts gift aided to Charity	-	(43)
	-	-
The assets and liabilities of the subsidiary were:		
Current assets	85,575	87,416
Current liabilities	(85,574)	(87,415)
	1	1

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

6. Analysis of Expenditure on Charitable Activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £	2020 £
Bank charges	53,911	-	-	53,911	111,419
Conference, courses, hospitality, and promotions	26,874	-	6,981	33,855	105,557
Consultancy	140	-	-	140	39,830
Depreciation	44,598	-	-	44,598	44,598
Equipment	111,288	-	190	111,478	373,444
Holiday pay	253,282	-	(4,467)	248,815	(23,603)
Hired services	11,745	-	840	12,585	34,234
Insurance and sundry premium costs	18,990	-	-	18,990	20,500
IT & software	52,216	-	-	52,216	69,085
Legal & professional	902,255	-	8,166	910,421	1,047,282
Marketing	39,534	-	4,384	43,918	129,187
Postage, printing, stationery, and telephone	73,689	-	5,784	79,473	99,699
Rents	62,756	-	-	62,756	60,080
Repairs and maintenance	876,389	-	-	876,389	1,120,448
Staff costs	7,557,946	609,000	335,755	8,502,701	9,442,618
Sundry expenses	51,098	-	1,238	52,336	334,861
Utilities	815,328	-	-	815,328	1,683,435
VAT partial exemption	(90,039)	-	1,338	(88,701)	473,907
	10,862,000	609,000	360,209	11,831,209	15,166,581

Note: The figures in brackets represent a reduction in the provision for holiday pay and VAT rebates accrued at the year-end which are expected on utilities.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Included in the previous table are support costs of:

	2021 £	2020 £
Bank charges	42,340	78,065
Conference expenses	16,415	47,066
Insurance and sundry premium costs	974	974
Postage, printing, stationery, and telephone	35,220	24,824
Staff costs	440,546	727,446
Sundry expenses	427,200	647,748
VAT partial exemption	(6,086)	74,139
	956,609	1,600,262

Service Level Agreements:

- Shared Services Procurement Team
- Communications
- Health and Safety
- Information Services
- Human Resources and Organisational Development
- Corporate Financial Services
- Energy
- Reactive Repairs and Planned Maintenance
- Statutory Maintenance, Testing and Inspection
- Audit and Strategic Risk

Service level agreement costs paid to Northumberland County Council:

	2021 £	2020 £
Northumberland County Council	715,646	722,998
	715,646	722,998

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

7. Other Expenditure

	2021 £	2020 £
Audit fee	23,333	21,792
Trustee liability insurance	1,848	1,848
	25,181	23,640

This relates to the main audit fee of £19,500 and costs in relation to other audit services for £3,833.

The fee in relation to Mazars LLP audit of the 2020-21 Trustees' Annual Report and Financial Statements is £22,450 and was accrued in year, analysed between different elements; audit fee £19,500, teachers' pension return £950 and other services for £2,000. Costs in relation to other services were charged in year for £1,050 and there is a further difference of £167 which is the variance between the accrual raised at the end of 2019-20 and the actual charges received in 2020-21.

8. Analysis of Staff Costs, Trustee Remuneration and Expenses

Group	2021 No.	2020 No.
Number of Employees:		
Key management personnel	5	4
Generating funds	98	128
Charitable activities	684	888
	787	1,020

The total employee benefits of the key management personnel of the Charity were £356,245 (2019-20: £348,763).

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Group	2021	2020
Remuneration comprised:	£	£
Apprenticeship levy	23,654	30,607
Holiday pay	248,815	(23,603)
Pension costs	320,263	505,774
Salaries & wages	7,730,499	8,512,575
Social security costs	423,172	482,894
Termination benefits	12,116	56,854
Travel and other staff costs	10,637	33,435
	8,769,156	9,598,536

The number of employees whose annual emoluments were more than £60,000:	2021	2020
£60,000 - £69,999	1	1
£120,000 - £129,999	1	-
£130,000 - £139,999**	-	1

** This includes termination benefits

Termination Benefits	2021	2020
	£	£
Compensation / ex gratia	4,592	55,930
Redundancy	7,524	924
	12,166	56,854

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either:

- terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or,
- providing termination benefits as a result of an offer made to encourage voluntary redundancy.

The Trustees were not paid and did not receive any other benefits from employment with the charitable Company or its subsidiary during the year (2019-20: nil). No Trustees were reimbursed for travel expenses in 2020-21 (2019-20: £311).

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

9. Net Income/Expenditure for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	44,598	44,598
Audit fee & Trustee liability insurance	25,181	23,640

10. Corporation Tax

The charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 of the extent that these are applied to its charitable objects.

11. Tangible Fixed Assets

	Fixture, fittings & equipment £
Cost:	
At 1 April 2020	515,351
Additions	-
At 31 March 2021	515,351
Depreciation:	
At 1 April 2020	274,524
Charge for the year	44,598
At 31 March 2021	319,122
Net book value:	
At 31 March 2021	196,229
At 31 March 2020	240,827

12. Investments

The charitable Company has a wholly owned trading subsidiary Company, Active Northumberland Trading Limited, incorporated in England and Wales. The activities and results of the trading Company are summarised in note 5.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

13. Stock

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Leisure stock	49,006	59,037	37,556	21,767
	49,006	59,037	37,556	21,767

14. Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	408,363	364,201	407,191	362,637
Other debtors	-	2,078,841	-	2,078,841
Prepayments and accrued income	3,074,061	1,139,084	3,073,724	1,129,664
Provision for bad debt	(50,628)	(44,258)	(49,437)	(44,131)
	3,431,796	3,537,868	3,431,478	3,527,011

15. Creditors: Amounts due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	51,395	40,589	51,684	40,787
Amounts owed to subsidiary	-	-	71,958	36,790
Taxation & social security	121,564	509,598	121,564	509,598
Accrual/deferred income	1,351,644	1,421,974	1,299,934	1,342,185
Holiday pay accrual	354,001	105,186	319,847	97,361
Other loans	48,313	46,775	48,313	46,775
Other creditors	66,818	25,199	66,818	25,199
	1,993,735	2,149,321	1,980,118	2,098,695

Deferred income relates to facilities hire, fitness classes and course bookings paid for in advance of participation. A provision has been recognised in relation to a legal matter and the liability is included within the accrual/deferred income balance.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

16. Short Term Provision

Job Evaluation

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Opening balance	-	862,860	-	862,860
Utilised in year	-	(862,860)	-	(862,860)
Provided in year	-	-	-	-
Closing balance	-	-	-	-

The Job Evaluation provision has been fully utilised in 2019-20.

17. Creditors: Amounts due in more than one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Other loans	189,620	237,933	189,620	237,933
Analysis of loans:				
Not wholly repayable within five years	-	34,942	-	34,942
Wholly repayable within five years	237,933	249,766	237,933	249,766
	237,933	284,708	237,933	284,708
Included in current liabilities	(48,313)	(46,775)	(48,313)	(46,775)
	189,620	237,933	189,620	237,933

Loan maturity analysis:				
Due between one to two years	49,903	48,313	49,903	48,313
Due between three to five years	139,717	154,678	139,717	154,678
Due in more than five years	-	34,942	-	34,942
	189,620	237,933	189,620	237,933

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

18. Unrestricted Funds

	1 April 2020	Incoming Resources	Resources Expended	Transfers	Gains/ Losses	31 March 2021
	£	£	£	£	£	£
Unrestricted fund						
General fund	1,327,548	11,577,680	(11,577,680)	-	-	1,327,548
Designated fund						
Pension reserve	(4,072,000)	-	(609,000)	-	(1,853,000)	(6,534,000)
	(2,744,452)	11,577,680	(12,186,680)	-	(1,853,000)	(5,206,452)

Description of fund	Description, nature, and purpose of fund
General fund	The 'free reserves' after allowing for all designated funds.
Designated funds	Pension reserve – relates to the FRS102 defined benefit pension liability, further details can be found in note 22.

19. Restricted Funds

	1 April 2020	Incoming Resources	Resources Expended	Transfers	31 March 2021
	£	£	£	£	£
School Games	7,582	328,449	(313,722)	-	22,309
Young at Heart	410	-	-	-	410
Inactivity Fund	22,598	71,531	(47,350)	-	46,779
Prudhoe Football Sporting Club - Renewals	30,850	-	-	-	30,850
Sporting Club Bedlington – Sinking Fund	62,500	-	-	-	62,500
Sporting Club Bedlington - Renewals	30,000	-	-	-	30,000
	153,940	399,980	(361,072)	-	192,848

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Transfers

There has been no transfers of funds.

Description of fund	Description, nature, and purpose of fund
School Games	Project funded by Sport England to organise school games. Promoting competitive sporting activities for younger people (South East and North Northumberland).
Young at Heart	Funds to support disabled people to access fitness activities at Prudhoe Waterworld.
Inactivity Fund	A project to engage women who are experiencing or are at risk of developing postnatal depression to participate in 30 minutes of activity each week.
Prudhoe Football Sporting Club - Renewals	A renewals fund for future reinvestment in facility redevelopment.
Sporting Club Bedlington – Sinking Fund	A fund for reinvestment into the 3G pitch.
Sporting Club Bedlington - Renewals	A renewals fund for future reinvestment in facility redevelopment.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

20. Analysis of Assets and Liabilities between Funds

	General £	Designated £	Restricted £	2021 £	2020 £
Fixed assets	196,229	-	-	196,229	240,827
Net current assets	1,320,939	-	192,848	1,513,787	1,478,594
Creditors due more than one year	(189,620)	-	-	(189,620)	(237,933)
Pension fund liability	-	(6,534,000)	-	(6,534,000)	(4,072,000)
	1,327,548	(6,534,000)	192,848	(5,013,604)	(2,590,512)

21. Pension Arrangements

Defined Contribution Scheme

The Charity operates a defined contribution scheme, which is offered to all new employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. An amount of £68,586 (2019-20: £83,215) was paid into the scheme during the financial year.

In 2020-21 Active Northumberland also paid £46,336 (2019-20: £48,537) to the Teachers' Pensions Agency in respect of teachers' retirement benefits representing 23.68% of teachers' pensionable pay for the period 1 April 2020 to 31 March 2021. The pension rate increased from 16.48% to 23.68% in September 2019.

Defined Benefit Scheme

On 1 October 2014 when the management of the leisure facilities within Northumberland moved into Active Northumberland the Local Government Pension Scheme (LGPS) relating to these staff transferred into the charitable Company. The LGPS provides defined benefits, based on the member's final pensionable salary.

Due to changes in pension legislation, and the long-term uncertainty about pension scheme costs, Active Northumberland has closed the local government pension scheme to new members.

Following the merger of Northumberland County Council Pension Fund into Tyne and Wear Pension Fund (TWPF) on 1 April 2020, Active Northumberland became a LGPS admission body in TWPF. Northumberland County Council has given a guarantee to TWPF in respect of Active Northumberland's LGPS liabilities. The guarantee can be called on should Active Northumberland default on its obligations to TWPF.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

In accordance with Section 28 of FRS 102 disclosure of certain information concerning assets, liabilities, income, and expenditure relating to pension schemes is required. The latest valuation was undertaken on 31 March 2019. The duration of liabilities is 24.2 years and revaluation is undertaken every 3 years. The duration of liabilities is the average period, expressed in the number of years, between the calculation date and the date on which the scheme benefit falls due. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for the purposes of FRS 102 were:

Key assumptions	2021	2020
Discount rate for liabilities	2.1%	2.3%
RPI inflation		-
CPI inflation	2.7%	1.9%
Pension increases	2.7%	1.9%
Pension accounts revaluation rate	2.7%	1.9%
Salary increases	4.2%	3.4%
Mortality rates		
- Males - Pensioner member aged 65 at accounting date	21.9	22.2
- Males - Active member aged 45 at accounting date	23.6	23.2
- Females - Pensioner member aged 65 at accounting date	25.1	24.6
- Females - Active member aged 45 at accounting date	26.9	26.0

Asset allocation	31 March 2021 %	31 March 2020 %
Equities	55.5	65.8
Property	7.9	4.0
Government bonds	2.2	16.4
Corporate bonds	19.8	7.7
Cash	4.0	0.8
Other	10.6	5.3
	100.0	100.0

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Reconciliation of funded status to balance sheet	31 March 2021	31 March 2020
	£m	£m
Fair value of assets	26.909	21.250
Present value of funded defined benefit obligation	(33.443)	(25.322)
Liability recognised on the balance sheet	(6.534)	(4.072)

Amounts recognised in consolidated statement of financial activities	31 March 2021	31 March 2020
	£m	£m
Current service costs	0.748	0.799
Past service costs	-	-
Financing costs – net interest cost	0.091	0.074
Pension expense recognised in income and expenditure	0.839	0.873

Amounts recognised in other comprehensive income	31 March 2021	31 March 2020
	£m	£m
Asset gains/(losses) arising during the period	5.207	(6.668)
Liability gains/(losses) arising during the period	(7.060)	6.227
Total amount recognised in other comprehensive income	(1.853)	(0.441)

Changes to the present value of defined benefit obligations	31 March 2021	31 March 2020
	£m	£m
Opening defined benefit obligation	25.322	30.383
Current service cost	0.748	0.799
Interest expense on defined benefit obligation	0.579	0.755
Contributions by participants	0.121	0.136
Actuarial losses on liabilities	7.060	(6.227)
Net benefits paid out	(0.387)	(0.524)
Past service cost	-	-
Net increase/(decrease) in liabilities from disposals/acquisitions	-	-
Closing defined benefit obligation	33.443	25.322

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Changes to the fair value of assets	31 March 2021 £m	31 March 2020 £m
Opening fair value of assets	21.250	27.203
Interest income on assets	0.488	0.681
Re-measurement gains/(losses) on assets	5.207	(6.668)
Contributions by the employer	0.230	0.422
Contributions by participants	0.121	0.136
Net benefits paid out	(0.387)	(0.524)
Net increase/(decrease) in assets from disposals/acquisitions	-	-
Closing fair value of assets	26.909	21.250

Actual return on assets	31 March 2021 £m	31 March 2020 £m
Interest income on assets	0.488	0.681
Gain/(loss) on assets	5.207	(6.668)
Actual return on assets	5.695	(5.987)

22. Pension – Movements in Reserves

	31 March 2021 £	31 March 2020 £
Current service cost	(748,000)	(799,000)
Past service cost	-	-
Net decrease in assets from disposal/acquisitions	-	-
Employer contributions & net pension	230,000	422,000
	(518,000)	(377,000)
Interest on liabilities	(91,000)	(74,000)
	(609,000)	(451,000)
Re-measurement gains/(losses) on assets	5,207,000	(6,668,000)
Net decrease in liabilities from disposal/acquisitions	-	-
Actuarial gains/(losses) on liabilities	(7,060,000)	6,227,000
	(1,853,000)	(441,000)
Opening position	(4,072,000)	(3,180,000)
Closing position	(6,534,000)	(4,072,000)

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

23. Cash flow from Operating Activities

	Group		Charity	
	31 March 2021 £	31 March 2020 £	31 March 2021 £	31 March 2020 £
Net movement in funds for the year before transfers and excluding interest	(570,092)	(719,006)	(570,092)	(719,006)
Adjustments for:				
Depreciation on tangible assets	44,598	44,598	44,598	44,598
Pension charges	609,000	451,000	609,000	451,000
(Increase)/decrease in debtors	99,702	743,373	90,227	754,357
Increase/(decrease) in creditors excluding loan	(157,124)	341,241	(120,115)	349,667
Increase/(decrease) in provisions	-	(862,860)	-	(862,860)
(Increase)/decrease in stock	10,031	16,108	(15,789)	(2,640)
Increase/(decrease) in bad debt	6,370	15,445	5,306	15,318
	42,485	29,899	43,135	30,434

Reconciliation of net debt - Group	1 April 2020 £	Cash-flows £	31 March 2021 £
Cash	20,000	(585)	19,415
Cash equivalent	11,010	(3,705)	7,305
		(4,290)	
Loans falling due within one year	(46,775)	(1,538)	(48,313)
Loans falling due after more than one year	(237,933)	48,313	(189,620)
	(253,698)	42,485	(211,213)

Reconciliation of net debt - Charity	1 April 2020 £	Cash-flows £	31 March 2021 £
Cash	20,000	(585)	19,415
Cash equivalent	8,510	(3,055)	5,455
		(3,640)	
Loans falling due within one year	(46,775)	(1,538)	(48,313)
Loans falling due after more than one year	(237,933)	48,313	(189,620)
	(256,198)	43,135	(213,063)

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

24. Analysis of Net Cash Resources

	1 April 2020	Cash flow	Other non-cash charges	31 March 2021
	£	£	£	£
Net cash Group	31,010	(4,290)	-	26,720
Net cash Charity	28,510	(3,640)	-	24,870

25. Cash and Cash Equivalents at the End of the Reporting Period

	Group		Charity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Decrease in cash during the year	(4,290)	(15,360)	(3,640)	(14,825)
Opening cash	31,010	46,370	28,510	43,335
Closing cash	26,720	31,010	24,870	28,510

26. Contingent Asset

Following the merger of Northumberland County Council Pension Fund into Tyne and Wear Pension Fund (TWPF) on 1 April 2020, Active Northumberland became a LGPS admission body in TWPF. Northumberland County Council has given a guarantee to TWPF in respect of Active Northumberland's LGPS liabilities. The guarantee can be called on should Active Northumberland default on its obligations to TWPF.

27. Controlling Party

The Charity is controlled by the Board of Trustees.

28. Funds held as Custodian

During the year funds were held on behalf of Blyth Valley Trust for Youth, an amount of £25,199 (2019-20: £25,199) is shown as a creditor at the year end.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

29. Related Party Transactions

All transactions between the Charity and its subsidiary, Active Northumberland Trading Limited are eliminated on consolidation.

The 2020-21 agreed management fee from Northumberland County Council was £2.46 million (2019-20: £2.66 million).

In addition, further funding of £2.26 million was agreed (2019-20: £0.23 million). £0.39 million was received during the year and a debtor of £1.87 million was raised at year end.

There were also other goods and services provided to Northumberland County Council of £0.36 million (2019-20: £0.71 million) and other goods and services received from Northumberland County Council of £1.29 million (2019-20: £1.51 million).

Active Northumberland uses Northumberland County Council's Oracle Cloud Applications for all expenditure transactions and reporting through the general ledger. At the end of 2020-21 Active Northumberland owed Northumberland County Council £0.04 million (2019-20: £2.08 million was owed to Active Northumberland).

In 2020-21 there have been goods or service received from Crosland Consulting Limited - nil (2019-20: £311), Northumbrian Water LTD - nil (2019-20: £218) and NWG Business - £62,557 (2019:20 £239,759), and goods or services provided to Ashington Academy - nil (2019-20: £480), Northumbria Healthcare NHS Foundation Trust - £705 (2019-20: £1,131), Pele Trust - £65 (2019-20: £61,994), and Tri Northumberland - nil (2019-20: £325).

30. Contingent Liabilities

There were no contingent liabilities identified as at 31 March 2021. (31 March 2020: nil).

31. Post Balance Sheet Events

There are no post balance sheet events to report.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

32. Financial Instruments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<i>Financial assets measured at amortised cost</i>				
Trade debtors	408,363	364,201	407,191	362,637
Amounts owed to Group undertakings				
Other debtors	-	2,078,841	-	2,078,841
Accrued income	3,014,146	1,065,438	3,013,809	1,056,019
<i>Financial liabilities measured at amortised cost</i>				
Trade creditors	51,395	40,589	51,684	40,787
Amounts owed to related party				
Amounts owed to Group undertakings	-	-	71,958	36,790
Other creditors	66,818	25,199	66,818	25,199
Accruals	1,502,604	1,194,503	1,416,740	1,106,890
Loan from related party	48,313	46,775	48,313	46,775
Long term Creditor	189,620	237,933	189,620	237,933