Registered number: 4376721
Charity number: 1095215

Active Life Limited

(A company limited by guarantee)

Trustees' Report and Financial Statements
For the period ended 31 March 2003



Active Life Limited

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Active Life Limited

Legal and administrative information
For the period ended 31 March 2003

Constitution

Active Life Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. It was incorporated on 19 February 2002.

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the Articles of Association, Canterbury City Council nominates two trustees and ten trustees are nominated by the members of the company or the trustees. The directors and trustees serving during the year and since the year end were as follows:

Canterbury City Council Trustees

B Brade (appointed 28/11/02)
R J P Flaherty (appointed 21/03/02)

Ordinary Trustees

P J Baker (appointed 21/03/02)

K A Berry , Treasurer (appointed 26/02/02)

H K Boorman (appointed 21/03/02)

J N Gaskell, Deputy Chair (appointed 26/02/02)

P A Hermitage (appointed 28/11/02)

M Kingsbury (appointed 21/03/02)

P J Knight (appointed 21/03/02)

J Rose, Chair (appointed 26/02/02)

G Biddle MSC Bed Hons DMS (appointed 21/03/02, resigned 04/11/02)

T J Clarke (appointed 21/03/02, resigned 18/07/02)

I R Willey (appointed 21/03/02, resigned 01/01/03)

S D Cochrane (appointed 01/02/03)

Lawgram Directors Limited (appointed 19/02/02, resigned 26/02/02)

Company Registered Number
4376721

Charity Registered Number
1095215

Registered Office
49 Harbour Street
Whitstable
Kent
CT5 1AQ

Secretary
B L Pratt

Chief Executive
N West

Legal and administrative information - continued

Auditors
Reeves & Neylan
Chartered Accountants &
Registered Auditors
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers
Natwest Bank
11 The Parade
Canterbury
Kent
CT1 2DT

Solicitors
Girlings Solicitors
County Square
Ashford
Kent

Active Life Limited
Trustees' report
For the period ended 31 March 2003

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of Active Life Limited (the company) for the period ended 31 March 2003 . The trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and the FRSSE (June 2002).

Objects of the charity

The objects of the charity are:

- to provide or assist in the provision of facilities and services for recreation and other leisure time occupation primarily in the District of Canterbury in the interest of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability may have need of special facilities and/or

- to promote, maintain, improve and advance education primarily in the District of Canterbury for the benefit of the public particularly dramatic education and foster the public interest in arts.

Organisational structure and decision making

A board of trustees of up to twelve members, who meet at a minimum of four times a year, administers the charity. There are subcommittees covering such functions as finance, HR, operations and marketing. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity.

Statement from the Chair

It is hard to believe that we are already reporting our first year as Active Life. So much has happened and yet the time seems to have flown by. It has certainly been a steep learning curve for all concerned and we appear to have come through it relatively unscathed. Progress has been made on all fronts and there is now a very real momentum that will carry us forward.

The management team and staff are to be congratulated for the way in which they have handled this period of great change, emerging more confident and ready to deal with the forthcoming challenges.

My thanks to my fellow Directors, many of whom have been involved extensively since the inception of Active Life and without whom the level of progress made would not have been possible.

There is a genuine commitment to develop our relationships with various partners, most notably Canterbury City Council and the Canterbury and Coastal Primary Care Trust, to achieve healthy living, social inclusion, and regeneration agendas.

Although the first year has been so successful, we are acutely aware that so much more needs to be done. However, I am extremely confident that through our developing partnerships and the continued commitment of the staff and Board, Active Life will go from strength to strength providing facilities that will become more widely used by the whole community and will become the first choice for a growing number of people.

Active Life Limited
Review of activities and future developments

Following the transfer of the operation of Canterbury City Council's sports and leisure facilities to Active Life on 1st April 2002, the company has focussed its efforts on ensuring the company fulfils all its legal obligations, identifying the profile of current centre users and non-users, and the creation of a solid financial foundation from which the Company can achieve its charitable objects. Active Life became a registered Charity on 3rd January 2003.

Active Life was established to promote the benefits of active recreation to the whole community. We are wholly committed to the notion that the people of the district should have the best recreation facilities possible recognising the long-term positive effect that sports and recreation activities can have. Surpluses generated will be reinvested in the facilities to improve and extend the service, and to ensure no one is precluded from using them.

It was always recognised that there would be a slow start to begin with, as the Board of Directors and Management team got to grips with running the new organisation with limited resources, and so it is pleasing to report that so much has already been achieved.

A new schedule of customer research was undertaken, which was more comprehensive than ever before. It revealed that we do already provide a service for a wide range of people of all abilities, from the very young to the elderly, for casual users or organised club sessions, and for all socio-economic groups. The council's own research also suggests that 51% of the district's population use the facilities. We will continue to build upon this work and in particular will improve our communication with groups within the community that have more difficulty taking advantage of the facilities so that barriers to participation may be removed.

The result for the 12 months shows a surplus of £43,422 against the original budgeted deficit for the year of £3,824. Total income exceeded budget by £22,992 arising primarily from monthly subscription revenue and swimming lessons. There were also savings from the allocated maintenance budget, which have been designated for major tasks originally scheduled for the forthcoming year. The remaining funds, £18,422, represent a significant contribution to the reserves target of £50,000 over three years, and has been achieved despite greater investment in staffing, operations, health promotion and community development initiatives.

The major areas of investment during the period under review, were for the additional staff posts for maintenance, community development, training, and customer relations; a new IT system for tills, bookings, and memberships; and three replacement inflatable play structures. Orders have been placed for major maintenance works that had originally been scheduled for this year to refurbish the sports hall floors at Kingsmead and Whitstable, the changing facilities at the Pier, and reception floors at both centres in Whitstable. There is still much to do, but the foundations have been laid and we are confident that our customers, will see even more tangible improvements this year.

Related party relationships

The charity works closely with Canterbury City Council who nominate two trustees and provide some funding and freehold properties to enable the charity to carry out its charitable objectives. A summary of transactions with the Canterbury City Council is set out in note 13 to the financial statements.

Investment powers

Under the memorandum and articles of association the charity has the power to make any investment which the trustees see fit.

Active Life Limited
Reserves policy

The Charity needs to maintain reserves in order to cover periods of closure resulting in shortfalls of income whilst maintaining the employment of the staff. Reserves will also be assessed by third parties who will participate in capital expenditure programmes.

All reserves at present will be generated out of income streams and the trustees will from time to time designate reserves to reflect specific requirements such as long-term maintenance.

The trustees believe that a designated reserve of £50,000 should be set-up over a period of 3 years representing the costs following a 7 day closure in any 1 year.

It will be the task of the Finance Committee to ensure that these objects are adhered to and to assess the adequacy of the Charity's Reserves.

Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate our exposure to the major risks.

Employment of the disabled

The company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

> Equal Opportunities policy
> Volunteers' policy
> Health & Safety policy

In accordance with the company's equal opportunities policy, the company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company's offices.

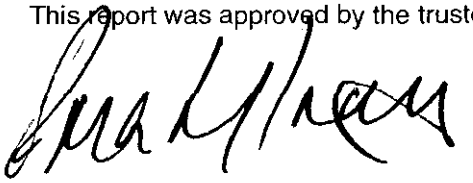
Trustees' responsibilities

Company and charity law applicable to charities in England/Wales 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements the trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the charity will continue in operation).

The trustees have overall responsibility for ensuring that the company has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the special provisions of Part VII of the Companies Act 1985 relating to small companies. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

This report was approved by the trustees on 19 June 2003 and signed on its behalf, by:



B L Pratt (Secretary)

Independent auditors' report to the members of Active Life Limited

We have audited the financial statements of Active Life Limited for the period ended 31 March 2003 set out on pages 8 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on pages 10 to 11.

This report is made solely to the company's members in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We are not required to consider whether any statement in the Trustees' Annual Report concerning the major risks to which the company is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the company's risk management and control procedures.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

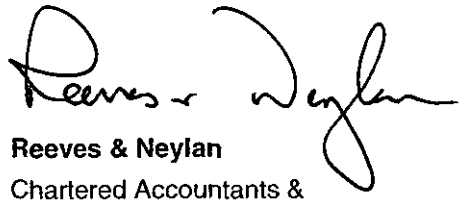
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Active Life Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of the incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.



Reeves & Neylan

Chartered Accountants &
Registered Auditors

37 St Margaret's Street
Canterbury
Kent
CT1 2TU

20 June 2003

Active Life Limited

Statement of Financial Activities
For the period ended 31 March 2003

	Note	Period from 19/2/02 to 31/3/03
Incoming Resources		
Grant from Canterbury City Council		**285,000**
Operation of Leisure Centres		**2,441,810**
Interest receivable		**5,545**
Other incoming resources		**7,714**
Total Incoming Resources		**2,740,069**
Charitable expenditure		
Cost of operation of Leisure Centres	2	**2,236,364**
Managing and administering the charity	3	**460,283**
Total Resources Expended		**2,696,647**
Net incoming resources, being net movement in Funds for the year		**43,422**
Total funds at 19 February 2002		-
Total funds at 31 March 2003	10	**43,422**

The Statement of Financial Activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 14 form part of these financial statements.

Active Life Limited

Balance sheet
As at 31 March 2003

	Note		31 March 2003
Fixed assets			
Tangible fixed assets	6		**52,142**
Current assets			
Stocks		**33,421**	
Debtors	7	**202,293**	
Cash at bank and in hand		**296,821**	
		532,535	
Creditors: amounts falling due within one year	8	**(541,255)**	
Net current liabilities			**(8,720)**
Net assets			**£ 43,422**
Charity Funds			
Unrestricted - Designated Funds	9		**25,000**
Unrestricted - General Funds	9		**18,422**
			£ 43,422

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the trustees on 19 June 2003 and signed on their behalf, by:

K A Berry , Treasurer

The notes on pages 10 to 14 form part of these financial statements.

Notes to the financial statements
For the period ended 31 March 2003

1. Accounting policies

1.1 *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards, and the Companies Act 1985.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

All expenditure is accounted for on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment - Hardware	-	33%	straight line
Computer equipment - Software	-	20%	straight line

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

Notes to the financial statements
For the period ended 31 March 2003

1. Accounting policies (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2. Cost of operation of Leisure Centres

	2003
Staff costs	1,410,292
Other staff related costs	19,539
Property costs	315,392
Items for resale	174,320
Water treatment	16,567
Equipment and equipment repairs	61,886
Printing, stationery, postage and publicity	38,345
Telephone	15,582
Service costs	34,277
Licences	9,919
Computer costs	16,355
Leasing costs	71,650
Insurance	28,956
Depreciation	13,210
Other expenditure	10,074
	2,236,364

3. Managing and administering the charity

	2003
Staff costs	294,395
Other staff related costs	3,806
Property costs	22,746
Irrecoverable VAT	66,839
Equipment and equipment repairs	790
Printing, stationery, postage and publicity	7,928
Telephone	3,541
Service costs	3,960
Computer costs	13,618
Depreciation	5,662
Insurance	12,409
Accomodation	5,165
Auditors' remuneration	6,000
Legal & professional fees	5,086
Bank charges	2,955
Accountancy fees	3,225
Other expenditure	2,158
	460,283

Notes to the financial statements
For the period ended 31 March 2003

4. Net incoming resources

This is stated after charging:

	Period from 19 February 2002 to 31 March 2003
Depreciation of tangible fixed assets:	
- owned by the charity	18,872
Auditors' remuneration	6,000
Pension costs	68,178
Operating leases (See notes 12 and 13)	71,650

During the period, no Trustees received any remuneration, benefits in kind or reimbursement of expenses.

5. Staff costs and numbers

Staff costs were as follows:

	Period from 19 February 2002 to 31 March 2003
Wages and salaries	1,554,042
Social security costs	82,468
Pension costs	68,178
	£ 1,704,688

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

	Period from 19 February 2002 to 31 March 2003 No.
Full time	67
Part time	196
	263

The number of higher paid employees was:

	Period from 19 February 2002 to 31 March 2003
In the band £50,001 - £60,000	1

Notes to the financial statements
For the period ended 31 March 2003

6. Tangible fixed assets

	Furniture, fittings and equipment
Cost	
Additions	71,014
At 31 March 2003	71,014
Depreciation	
Charge for the period	18,872
At 31 March 2003	18,872
Net book value	
At 31 March 2003	£ 52,142

7. Debtors

	2003
Due within one year	
Trade debtors	95,800
Other debtors	26,439
Prepayments and accrued income	80,054
	£ 202,293

8. Creditors:
Amounts falling due within one year

	2003
Trade creditors	304,216
Social security and other taxes	30,056
Other creditors	103,192
Accruals	103,791
	£ 541,255

Notes to the financial statements
For the period ended 31 March 2003

9. Statement of funds

	Brought Forward	Incoming Resources	Resources Expended	Transfers in/(out)	Carried Forward
DESIGNATED FUNDS					
Maintenance fund	-	-	-	25,000	25,000
GENERAL FUNDS					
General funds	-	2,740,069	2,696,647	(25,000)	18,422
Total unrestricted funds	-	2,740,069	2,696,647	-	43,422
Total of Funds	-	2,740,069	2,696,647	-	43,422

10. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £68,178. Contributions totalling £8,975 were payable to the fund at the balance sheet date and are included in creditors.

11. Operating lease commitments

At 31 March 2003 the charity had annual commitments under non-cancellable operating leases as follows:

	2003
Expiry date:	
Within 1 year	4,984

12. Related party transactions

The charity works closely with Canterbury City Council, who nominate two trustees and provide some funding to enable the charity to carry out its charitable objectives. The Canterbury City Council provided a grant of £285,000 during the period, and are landlord for all properties operated by the charity.

The Canterbury City Council have entered into finance lease agreements on behalf of the charity. The charity reimburses in full the value of leasing payments made by the Canterbury City Council under these agreements.

A net amount of £147,918 was due to the Canterbury City Council at 31 March 2003.