REGISTERED COMPANY NUMBER: 04376721 (England and Wales)
REGISTERED CHARITY NUMBER: 01095215

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 FOR ACTIVE LIFE LIMITED

SATURDAY
A6BO2H7S
A20 29/07/2017 #94
COMPANIES HOUSE

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

ACTIVE LIFE LIMITED

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ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

I am pleased to report another year of stable performance with reasonable growth in admissions and turnover, and a much higher than budgeted surplus that continues to strengthen the balance sheet. This has allowed us to be able to reinvest even more to widen the reach of the service and improve service quality as evidenced by the highest ever customer satisfaction scores in the annual customer surveys and net promotor scores that exceed sector benchmarks.

We are grateful for the continued financial contribution from the Council to help subsidise health promotion, sports development and activities for those less able to access the facilities. We know that they make a very real difference to people's lives and the general health and wellbeing and quality of life in the district. We are also grateful for the positive relationships with Porchlight, the NHS, Schools, Colleges, Kent County Council Sports Development, Natures Gym, Insightful Healthy Lifestyle Solutions CIC, Sport England, and the Police and Council Community Safety Unit, and many others for all the joint initiatives that help us reach out to the less engaged and those who experience the greatest benefit from participation in sports and fitness activity.

The health promotion programmes continue to be well received delivering quality support to many hundreds of new clients each year helping them recover or cope with a wide range of conditions such as heart attacks, strokes, obesity, falls, back pain, muscular-skeletal and mental health issues. It seems that not a day goes by without some report in the media demonstrating the links between longer and healthier lives to increased physical activity. We are acutely aware of the value of the service, particularly to those who would otherwise be precluded from accessing other providers' facilities, and I think too that gradually, central government and the NHS are looking to devote more resources to prevention rather than cure. We hope so anyway.

Active Life will continue to generate funds from commercial activities and in an ever-increasing competitive environment will seek opportunities to gain scale to maintain a financially robust organisation and one that can take full advantage of its core competencies and competitive advantages to continue to develop and expand. Standing still is not in our vocabulary and neither for our beneficiaries of course!

In closing, I should like to offer my sincere thanks to Neil West and all of the staff of Active Life for their tremendous efforts on behalf of, and commitment to, the work of the organisation and ,of course, to my fellow Board members for their continued support for and dedication to Active Life.

Nicholas Wells
Chairman

Date: 27 July 2017

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees, who are also directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the financial statements of the Charitable Company for the year ended 31 December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04376721 (England and Wales)

Registered Charity number
1095215

Trustees

G S Knox	
S P Jones	
J N Gaskell	
K J Hooker	
P J Newey	-Resigned 28/07/2016
I J Wild	
C Longmire	
N E Wells	
O Fawcett	-Resigned 26/01/2017
R Thomas	
P Montgomery	-Appointed 08/12/2016
R Barley	-Appointed 08/12/2016
J Connelly	-Appointed 08/12/2016
E Taylor	-Appointed 26/01/2017

Company Secretary
D Sayle

Chief executive officer
N West

Registered office
Amphenol Complex
Thanet Way
Whitstable
Kent
CT5 3JF

Auditors
McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Solicitors
Girlings Solicitors
Stourside Place
Station Road
Ashford
Kent
TN23 1PP

Bankers
National Westminster Bank
City Centre Branch
11 The Parade
Canterbury
Kent
CT1 2SQ

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The objects of the Charitable Company 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 care 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 to foster the public interest in arts.

Public benefit statement

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees regularly consider how planned activities will contribute to the charitable aims and objectives they have set.

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissions general guidance on public benefit.

The trustees acknowledge that the Charitable Company charges a fee for many of the services it provides. It is the opinion of the trustees however that the Charitable Company's pricing strategy, which enables increased access to sports facilities for a wide range of disadvantaged persons, including those on low incomes, coupled with the range of services that it provides for young people, the elderly and the disabled are such that the Charitable Company can demonstrate that it operates for the public benefit of the community that it serves.

There have been no changes in the objectives since the last annual report.

Strategies for achieving objectives

- To increase admissions
- To increase the health promotion programme
- To increase turnover
- To reduce energy consumption
- To improve customer satisfaction

ACHIEVEMENT AND PERFORMANCE

Statement of the Chief Executive

In the absence of any significant capital investment projects during 2016, performance remained stable with increases in throughput and turnover of 0.6% and 2.4% respectively. The surplus of £274,602 on unrestricted funds excluding defined benefit pension adjustments was £48,705 higher than prior year and was achieved by careful management of costs with the most significant savings deriving from the expiry of gym equipment leases, (£95,000), and from water and energy, (£31,000). Expenditure was increased on other equipment replacement and on maintenance. These coupled with greater resources directed to centre cleanliness and technology to improve communication, bookings and online payments, resulted in improved customer satisfaction scores again this year, comfortably above the target set of 7 out of 10 for every centre and the overall average at 8.16 being the highest ever.

Net membership decreased but was ahead of target. The gradual reduction was forecast as more local colleges provide fitness facilities for their students. This market was targeted more specifically after 2010 as Active Life's capacity increased following our developments at Kingsmead, Herne bay and Whitstable. Student membership was included within our extensive scheme for those on low income and the student proportion has reduced over the last two years.

The investment in IT hardware and software in 2015 to extend the swimming lesson programmes and provide teachers with tablets for issuing immediate pupil progress reports for parents to access via an online portal, coupled with the ability to progress pupils to more advanced classes as ability dictates, resulted in 1,770 children participating in the lessons by the end of the year; an increase of 2.8% over 2015 and an incredible 22% higher than 2014.

ACHIEVEMENT AND PERFORMANCE - CONTINUED

Statement of the Chief Executive- continued

A high proportion of the annual surplus bolstered the cash balance significantly above that required by the reserves policy. Use of cash will be carefully considered for strategic initiatives going forward or at the least, for paying for capital items outright rather than entering into new leases where returns on cash deposits are currently significantly lower than finance rates.

Overall, the improved performance also enabled more resources to be allocated to support the continued growth of the health promotion and sports development programmes and maintain the excellent 'Gentle Gym' facility in Canterbury for those with mobility or other issues where mainstream fitness facilities are unsuitable.

Public Benefit

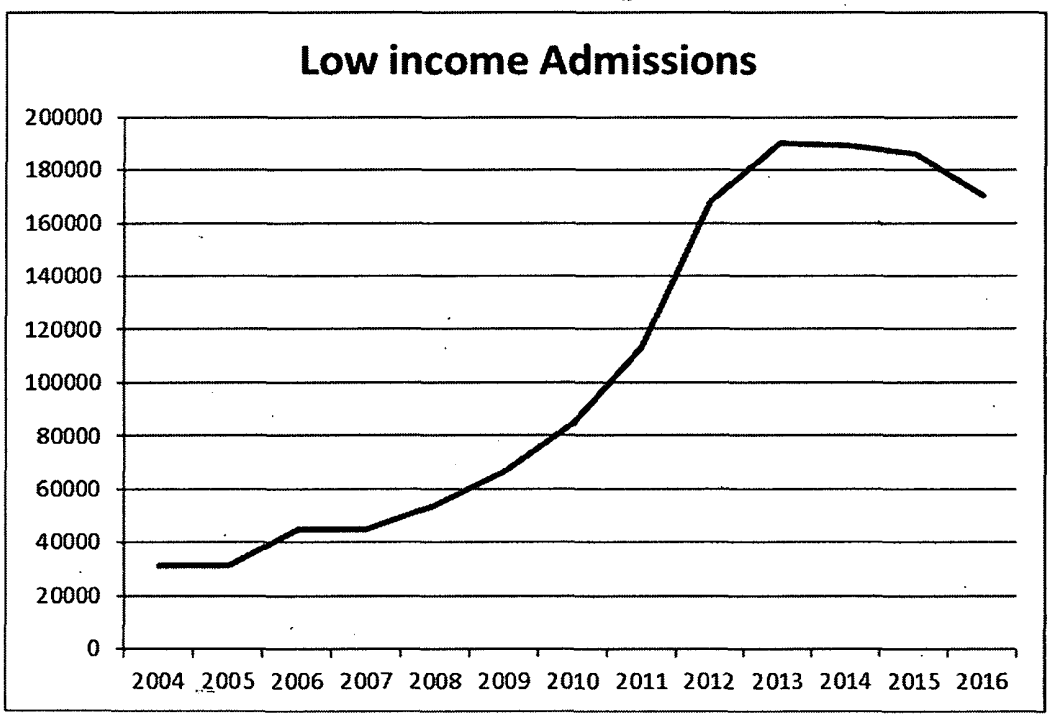
Active Life's vision is for everyone in the district to have an equal opportunity to be as healthy as possible, both physically and mentally, by participating in active recreation. Our mission statement is to be the premier provider of active recreation in the district, promoting and providing a service that has an excellent reputation that demonstrably improves the health and wellbeing of participants.

The service is provided to ensure all sectors of the community have access to affordable good quality sports and fitness facilities. In turn vast swathes of research point to savings for the NHS, Social Services, and reduced crime and anti-social behaviour. The private sector will concentrate on those most able to pay to generate commercial return and provision is also supplemented by schools and colleges providing excellent facilities for their students. Active Life operates a mix of commercial and non-commercial activity to ensure maximum social return.

1. Affordability and Equity of Access

Active Life's pricing policy is to maximise revenue whilst ensuring that no one is precluded from accessing the service on the grounds of price. Whatever price paid we want every customer to perceive the service provides them with excellent value as monitored via the annual customer satisfaction surveys.

Table 1 Low Income Admissions



ACHIEVEMENT AND PERFORMANCE – CONTINUED

Public Benefit - continued

1. Affordability and Equity of Access - continued

Market rates are charged for the majority with concessionary rates available for those on low incomes and to youngsters, students, clients with health issues, the retired, school groups and to families. Membership schemes are available that benefit and encourage regular use but membership is not a requirement to access the facilities. As the graph on the previous page illustrates, concessionary memberships and use from low income groups increased following the financial crisis in 2008 and continued to increase at the same rate to 2013 after which, admissions have fallen slightly with a proportion of students now either using the budget facility at the Canterbury High School or new college facilities. 16.4% of all admissions were from low income groups in 2016 a marginal decrease from 17.8% in 2015 and wholly attributable to the reduction in use by students who now have access to improved college facilities.

The standard typical family membership package to 2 adults and 3 children has been restructured to offer a flat discount to any family group i.e. 1 parent and 1 child or 2 parents and 5 children etc. to encourage family use as a whole but particularly beneficial to single parent families that often struggle to fund group activity.

2. Young People

Approximately 15% of all admissions, 156,700, are from under 19yr olds and this excludes all those that participate in the Active Life led school and community outreach programmes highlighted below.

After school roller skating sessions are provided at the Herne Bay High School primarily targeting teenage girls with approximately 10 attending each session on average throughout the school year.

Dance mat sessions were rolled out to 2 local primary schools in September in partnership with the Herne Bay and East Kent Coastal Sports Partnership. 180 have attended the sessions and additional sessions will be provided to an infants' school in 2017.

School holiday sports camps and courses are organised at each centre to keep children active, introduce them to new activities, and help working parents. The programmes at the Herne Bay High School have been particularly successful as the opportunities presented themselves to make greater use of all the school's recreation facilities, with 2,427 attending activities there in 2016, a 32% increase on prior year.

In previous years Active Life supported all 3 Canterbury City Council Play Days in the summer months, offering dance mat activities to 5-12 year olds, but with the removal of funding Active Life instead took on the running of a Canterbury based Play Day using the same local partners and under the Coca Cola Parklives funding, targeting low income families. Over 200 people turned out for the event at the Sturry Road Community Park in July for mainly Sturry Road residents, with activities taking place in the park every week day throughout August for young people and adults to introduce them into sport and physical activity. 194 separate individuals tried the golf inflatable, with Rounders, Zumba, Flag Football, Street Rugby, Football and Pokemon Go all available on the day. This was delivered using £3,000 secured from Coca Cola and the Sturry Road Community Park Trust. 2,162 people attend the events in Canterbury and 1,487 in Herne Bay, but only 247 in Whitstable, which was unfortunately badly affected by rain.

In partnership with the Council, Active Life delivered 2 'life circuits' programmes to a primary school within a deprived area supporting existing PE provision and providing mixed ability activity circuits and healthy eating advice.

A new Service Level Agreement is now in place with Porchlight to deliver 4 weekly StreetGames sessions every week of the year, 2 Neighbourhood Festivals, and 2 weekly Doorstep Sports Clubs. The weekly sessions average 15-20 young people aged 11-19 at each of the areas with a throughput of 1,854 attendances from April 2015 to October 2015. All participants have home postcodes from recognised deprived wards. All StreetGames activity is externally funded and Porchlight have been commissioned to deliver the SLA on behalf of Active Life.

ACHIEVEMENT AND PERFORMANCE - CONTINUED

Public Benefit - continued

2. Young People - continued

The neighbourhood festival took part in April and August with supervised support from 4 Police Community Support Officers due to historical disagreements between estates. In total, 78 young people aged between 14 and 25 have taken part in the festivals. 27 young people were taken up to the Copper Box in London in August for a multi-sport Festival organised and fully funded by StreetGames. None of the young people that took part play for a mainstream sports club, although a number have joined Canterbury City FC's Community Team.

The Doorstep Sports Clubs continue to be a success at Kingsmead Leisure Centre on a Monday night and Whitstable Youth Centre on a Wednesday night. The Doorstep Sports Clubs are made up of homeless young people and young people from the regular StreetGames estates sessions that targets 14-25 year olds from disadvantaged communities. One particular anecdote was that a group of 14 girls from the Whitstable "StreetGames " Doorstep Sports Club, as a result of being the most successful pop up rugby group in the south east, were rewarded by being invited to meet Prince Harry at Twickenham. Matthew Witts, our lead StreetGames Coach was awarded the 2016 National Coach of the Year at the National StreetGames Awards in Warwick in November. The estate based sessions, neighbourhood festivals and events continue to be delivered in partnership with Porchlight in disadvantaged areas of the district.

The Partnership Agreement between Active Life and Porchlight has been formalised and strengthened to support each other's outcomes namely greater awareness of both organisations within the community; staff from both organisations to be advocates of Active Life and the Active Life message, and a greater understanding of vulnerable and lower socio-economic communities; Porchlight staff and service users will be more active more often; Porchlight service users have a pathway of community building through Active Life services.

Active Life also coordinated the sports delivery for Operation Nautilus (a Police and Anti-Social Behaviour project for Herne Bay funded by the Police), deploying sports coaches in Herne Bay on Friday and Saturday early evenings in the town over the summer to help the Police and Council's Community Safety Unit reduce the incidents of anti-social behaviour.

3. Women and Girls

The Make Your Move project, which was funded by Sport England to support women and girls participation in the local area, came to a conclusion in August 2016. Over the life of the project, 251 people were engaged, 52% of whom did no moderate physical activity each week before they started the activity. 142 participants attended over 50% of the sessions offered and for those that completed the follow up survey 6 months after the project started, 94% said they were now doing at least 1 x 30minutes of physical activity a week. The common feedback from participants in relation to why they were not active already highlighted some interesting feedback such as high levels of anxiety or nervousness and low self-esteem were the most common responses, alongside the common lack of time, cost, childcare and family commitments.

In particular this year, 37 Early Years students attended 8 weeks of Playground Games under the Make Your Move banner to provide them with the skills to deliver the governments suggested physical activity targets to children. Although, the training did provide games and skills they could use, the primary goal was actually to help the students be more active themselves. 29 of the 37 were not engaged in any form of physical activity before the programme started. When surveyed 6 months after the programme began 18 were still doing at least 1 x 30 minutes of moderate intensity physical activity.

57 mums from Riverside Children's Centre or on benefits have taken up a free low income Active Life membership under the Make Your Move banner on the basis that they engage in physical activity within the centre 8 times over a 16 week period. 42 of the 57 mums achieved the minimum of 8 times and so helping to increase their levels of activity.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENT AND PERFORMANCE - CONTINUED

Public Benefit-continued

4. Older People

Active Life has continued to invest and support the 'Gentle Gym' in Canterbury specialising in motor assisted equipment for those with mobility problems and are therefore unlikely to be able to use conventional gym equipment. Client groups include those with Parkinson's disease or multiple sclerosis where physical ability has deteriorated and quality of life negatively affected. Clients also tend to be the more elderly and frail that can be difficult to encourage into physical activity otherwise. Outcomes to be evaluated include improved physical functionality, confidence and self-esteem with the aim of reducing the risk of falls, improving quality of life, and possibly slowing down the progression of their conditions.

The majority of exercise referrals, (536 in 2016), are by their nature, from the more elderly who are more predisposed to suffer from the conditions for which they are referred, more detail of which is provided in the health promotion section below.

Badminton mornings are held twice weekly on weekdays at the Kingsmead Leisure Centre that again, attracts the retired. 1,560 attended during 2016. Similarly, indoor bowling is held throughout the day on weekdays at the Herne Bay High School with numbers increasing from 3,292 in 2015 to 3,416 in 2016, up 3.8%.

5. Sports Development

The Sports Development function facilitated or directly delivered activities to 3,380 participants during 2016, working with 59 partner organisations and securing over £64,000 in external funding support.

The 2016 Active Life Triathlon Series was another great success. The Go Tri (entry level) sessions had a throughput of 198 attendances over the 6 events. Most were completely new people to the sport looking to take part in their first triathlon event with most going onto taking part in a full event. The mass participation events, which included the Active Life Surf'N'Turf Aquathlon, the Active Life Oysterman Triathlon and the Pier-to-Pier Swim, attracted 308 participants. Of particular note this year was that 64 Oysterman participants were first timers or had completed one of our Go Tri events and so bringing new people into the sport. The number of people joining the Active Life Tri Club has increased by 97 people from 84 to 181 members at the end of the year.

A local workplace rounders league was organised for 10 East Kent businesses, funded by Rounders England. 95 participants from local businesses attended at least 8 sessions. As a result the project engaged with a large number of participants who were inactive before taking part.

Active Life once again received funding of £400 per school to support 6 secondary schools to set up satellite sports clubs on school sites. These schools included the Spires Academy, the Herne Bay High School, the Community College Whitstable, both Simon Langton schools and Barton Court. Each sports club has managed to engage with over 20 participants over the 20 week courses.

We were delighted to deliver the 'Push it for Porchlight' event in April 2016 with 54 participants raising £507 for the charity through dedicated fitness studio classes, which had the added bonus of introducing new participants to Kingsmead and to Active Life. The event was repeated in November raising a further £955 for Porchlight through 170 fitness class places sold.

A number of local clubs and organisations were supported again or for the first time during 2016, whether this be supporting the Herne Bay Sports Hub, a table tennis club find a new facility and increase its community offer, collecting Satellite club information from secondary schools, the Light Up the City fun run; or helping support the clubs that were left without a venue when Herne Bay Judo club closed. This behind the scenes work helps community organisations flourish.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENT AND PERFORMANCE - CONTINUED

Public Benefit-continued

5. Sports Development - continued

Support was also provided to a new charity, Wheel Potential, to set up a disability cycling project in Toddlers Cove by helping them with their successful application to Kent Community Foundation to draw down £7,000 to make the project a sustainable reality. Help was also provided to set up their online booking system that has enabled them to work with 8 local organisations with 120 disabled people accessing the bikes from April 2016 to the end of the year. Support too was provided to Natures Gym to deliver physical activity in local woods on a weekly basis. The project has seen 172 homeless and vulnerable adults getting active in 2016. Support was provided for their funding bids to secure a £9,500 grant from Awards for All; a £5,000 Vattenfall Community Grant, and two rounds of Sportivate funding of £3,214.

6. Health Promotion

Active Life's Health Promotion Programme aims to provide support to those with special medical conditions who may benefit from expertise and supervision to help improve their current health status and their health outcomes. The programmes also aim to improve skill level, knowledge, sense of awareness, and social interaction through participating in regular physical activity. Active Life will continue to extend these programmes given the impact they have on people's lives and for the elderly in particular. The sessions also target reductions in blood pressure, cholesterol, obesity and stress. The total number of referrals received by the department was 2% higher than 2015 at 536, with 364 progressing to the 12-week programmes within Active Life venues.

Specific classes are also now programmed in Herne Bay and Canterbury for those with mental health issues in conjunction with the Canterbury and Coastal Community Mental Health Team, (CCCMHT), to reduce perceived barriers to exercise and improve confidence and self-esteem. Each group has a member of the Active Life Exercise Referral Team present together with 2 members of CCCMHT staff. Admissions were marginally higher than 2015 at 1,065 with positive outcomes reported for participants. A free exercise referral membership is provided to each participant entitling them to specific classes at reduced rates and swimming.

Unlike most Exercise referral programmes nationally, Active Life provides an extensive weekly programme of 'Active 4 Life' classes in the halls, studios, and pools, to both support the 12-week Exercise Referral courses and also provide ongoing classes to help clients maintain exercise and eventually graduate to mainstream activities if capable. Total admissions increased marginally from 39,227 in 2015 to 39,427.

The Health Promotion Manager also directly manages the 'Gentle Gym' in Canterbury described above.

Plans for the Future

A huge amount of work goes on to target specific groups within the community that find it difficult to access the leisure facilities for a wide range of reasons. This work will be expanded upon year on year as resources are generated from mainstream activities. Work continues with other regional Leisure Trusts examining opportunities to consolidate charity resources to develop the service more dramatically through significant capital investment projects thereby delivering greater outcomes more efficiently and much more sustainably over the long-term.

The high-level target for 2017 is to deliver a surplus at 2.6% of turnover to maintain adequate levels of reserves and sufficient funds for reinvestment in an ever-increasing competitive environment and to support potential capital investment projects. This will be achieved by:

- Maintaining stable levels of throughput, net memberships and revenue;
- Extending the health promotion programmes targeting the elderly in particular;
- Continue to extend the sports development function to broaden the range of sports available and access to all sports, and targeting teenagers and those from deprived areas of the district in particular;
- Increase marketing and communications to increase awareness of the service and the benefits of active recreation;
- Continue to reinvest in improvements to service quality;
- Ensure data is collected and reported to monitor progress of the plan and outcomes achieved.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL REVIEW

The unrestricted funds are in deficit to the value of £3,171,427 (2015: 1,022,971) owing primarily to a deficit on the defined benefit pension scheme of £3,524,000 (2015: £1,101,000). The Charitable Company continues to make employer contributions at the level set by the scheme actuary and is considering a number of options with regard to the future of the scheme and the impact on future funding levels and employer contribution rates. Unrestricted general funds are also now in surplus (excluding pension). The Charitable Company continues to achieve a surplus and has strong budgets and plans in place and continues to improve the balance sheet position. The Council has no intention of recalling the loan within the next twelve months. Preparation of the Financial Statements on a Going Concern basis is therefore considered appropriate.

Reserves policy
The trustees have considered the risks and opportunities facing the company and identified a level of cash reserves, £100,000 that it would be prudent to maintain.
Cash reserves held at 31st December 2016 were £613,493 (2015: £425,088), with the excess available to wholly or partially fund developmental projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution
The Charitable Company is registered as a member's limited liability company and was set up by a Memorandum of Association on 19 February 2002.

The Charitable Company is constituted under a Memorandum of Association dated 28 November 2002 and is a registered charity, number 1095215.

Method of appointment or election of Trustees
The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Induction and training of new trustees
New Trustees are provided with key documents relating to the work of Active Life and setting out their duties as Trustees, including the background to Active Life with centre profiles and staff structure, board structure, and other Trustee thumbnails; the governing document, last 2 years minutes of board meetings, annual reports and accounts, Active Life's recent strategic reviews, current business plan, and various guidance papers from the Charity Commission such as 'The Essential Trustee', 'The Hallmarks of an Effective Charity', and 'Charities and Risk Management'. Job Descriptions and Person Specifications are provided at the recruitment stage.

The Induction process includes a tour of all the facilities and Head Office by the Chief Executive meeting key members of the senior management team and staff. Opportunities for on-going training are made available if appropriate to enhancing the role of individual Trustees.

Remuneration policy for key management personnel
The pay and remuneration of key management personnel, and indeed all other staff, is set with reference to:

- A predefined pay structure containing incremental scales, based on the complexity and impact of the role.
- Benchmarking against similar organisations operating within the same sector.

Annual pay reviews take account of the following

- The cost of living
- A desire to maintain pay differentials whilst complying with legislation
- Market comparators
- The charity's development
- The charity's performance against objectives.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

Organisational structure and decision making
The board of trustees of up to 12 members meet a minimum of 4 times a year to administer the Charitable Company. There is also a subcommittee to cover Finance and General Purposes. A Chief Executive is appointed by the trustees to manage the day to day operations of the Charitable Company.

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED
Employees are consulted on issues of concern to them by means of a regular consultative committee and staff meetings and are kept informed on specific matters directly by management.

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

- Equal opportunities
- Volunteers
- Health and safety

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS
In so far as the trustees are aware:

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

Approved by order of the board of trustees on 27 July 2017 and signed on its behalf by:

.....
N Wells - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LIFE LIMITED

We have audited the financial statements of Active Life Limited for the year ended 31 December 2016 on pages fourteen to thirty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Trustees for the financial year is consistent with the financial statements.

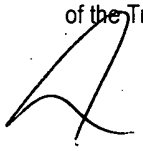
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Report of the Trustees:
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE LIFE LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 27 July 2017

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income & Expenditure account And Statement of Other Comprehensive Income)
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds	Restricted Funds	Pension Adjustment Unrestricted	31.12.16 Total Funds	31.12.15 Total Funds
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	14,364	-	-	14,364	18,838
Charitable activities						
Operation of leisure sites	5	5,210,557	9,141		5,219,698	5,113,533
Investment income	3	1,983	-	-	1,983	1,089
Other income	4	5,475	-	-	5,475	-
Total		5,232,379	9,141	-	5,241,520	5,133,460
EXPENDITURE ON						
Charitable activities						
Operation of leisure sites	6	4,957,777	17,295	116,000	5,091,072	5,026,362
Total		4,957,777	17,295	116,000	5,091,072	5,026,362
NET INCOME/(EXPENDITURE)		274,602	(8,154)	(116,000)	150,448	107,098
Gross transfers between funds	24	(58)	58	-	-	-
		274,544	(8,096)	(116,000)	150,448	107,098
Other comprehensive income / (expenditure):						
Remeasurement gains/(losses) on defined benefit schemes	25	-	-	(2,307,000)	(2,307,000)	466,000
Net movement in funds		274,544	(8,096)	(2,423,000)	(2,156,552)	573,098
RECONCILIATION OF FUNDS						
TOTAL FUNDS BROUGHT FORWARD		78,029	52,006	(1,101,000)	(970,965)	(1,544,063)
TOTAL FUNDS CARRIED FORWARD		352,573	43,910	(3,524,000)	(3,127,517)	(970,965)

All income and expenditure derive from continuing activities.

The notes form part of these financial statements

BALANCE SHEET
AT 31 DECEMBER 2016

	Notes	31.12.16 Total Funds £	31.12.16 Total Funds £	31.12.15 Total Funds £	31.12.15 Total Funds £
FIXED ASSETS					
Tangible assets	15		535,395		593,175
			535,395		593,175
CURRENT ASSETS					
Stocks	16	41,682		29,259	
Debtors: amounts falling due within one year	17	162,996		176,683	
Cash at bank and in hand		613,493		425,088	
		818,171		631,030	
CREDITORS					
Amounts falling due within one year	18	(757,083)		(819,810)	
NET CURRENT ASSETS / (LIABILITIES)			61,088		(188,780)
TOTAL ASSETS LESS CURRENT LIABILITIES			596,483		404,395
CREDITORS					
Amounts falling due more than one year	19		(200,000)		(274,360)
NET ASSETS/(LIABILITIES) BEFORE PENSION LIABILITY			396,483		130,035
PENSION LIABILITY	25		3,524,000		1,101,000
CHARITY FUNDS					
Unrestricted funds		(3,171,427)		(1,022,971)	
Restricted funds		43,910		52,006	
TOTAL CHARITY FUNDS	24		(3,127,517)		(970,965)
			396,483		130,035

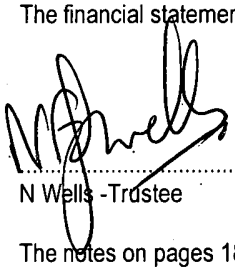
The notes form part of these financial statements

continued...

BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2016

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

The financial statements were approved and authorised by the Board of Trustees on 27 July 2017 and were signed on its behalf by:



.....
N Wells -Trustee

The notes on pages 18 to 32 form part of these financial statements.

ACTIVE LIFE LIMITED
A COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities:			
Cash generated from operations	1	441,635	454,619
Net cash provided by operating activities		441,635	454,619
Cash flows from investing activities:			
Purchase of tangible fixed assets		(120,796)	(27,820)
Sale of tangible fixed assets		7,001	4,960
Interest received		1,983	1,089
Net cash provided (used in) investing activities		(111,812)	(21,771)
Cash flows from financing activities:			
Loan repayments in year		(50,000)	(50,000)
Capital repayments in year		(91,210)	(150,014)
Net cash provided (used in) financing activities		(141,210)	(200,014)
Change in cash and cash equivalents in the reporting period		188,613	232,834
Cash and cash equivalents at the beginning of the reporting period	2	424,880	192,046
Cash and cash equivalents at the end of the reporting period	2	613,493	424,880

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.16 £	31.12.15 £
Net income for the reporting period (as per the statement of financial activities)	150,448	107,098
Adjustments for:		
Depreciation charges	177,050	241,882
(Profit)/loss on disposal of fixed assets	(5,475)	(6,414)
Interest received	(1,983)	(1,089)
Notional interest charged	6,753	8,281
Notional interest donated	(6,753)	(8,281)
Increase in stocks	(12,423)	(2,501)
Decrease/(increase) in debtors	13,687	(9,554)
Increase in creditors	4,331	6,197
Difference between pension charge and cash contributions	116,000	119,000
Net cash provided by operating activities	441,635	454,619

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.12.16 £	31.12.15 £
Cash in hand	6,145	6,120
Notice deposits (less than 3 months)	607,348	418,968
Overdrafts included in bank loans and overdrafts falling due within one year	-	(208)
Total cash and cash equivalents	613,493	424,880

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

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

Statutory information
Active Life Limited is a registered charity and a company limited by guarantee. The charitable company's registered number and registered office address can be found under reference and administrative details in the report of the trustees.

Statement of compliance
The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102. The Society constitutes a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Under Section 28 Employee Benefits of Financial Reporting Standard 102 the deficit on the Charitable Company's pension scheme has been included in the financial statements and the Charitable Company's reserves have therefore been reduced by the pension deficit creating net liabilities of £3,127,517 (2015: £970,965) at the year end. The Trustees are satisfied that the Charitable Company will be able to meet all its obligations as and when they fall due.

Going Concern
The charitable company has an agreement with Canterbury City Council for the operation of leisure centres for the foreseeable future and an indication from Canterbury City Council that they will negotiate with the charitable company a management fee at a level which supports its activities for the remainder of the leases.

As disclosed in note 19 the charitable company also has a loan outstanding of £250,000 (2015: £300,000) from Canterbury City Council. The Council has agreed a repayment schedule with the Charitable Company and does not intend to withdraw this facility in the foreseeable future.

Functional currency and presentation currency
The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

Funds
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES - continued

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

Income is recognised when net sales of goods and services and management fees excluding value added tax have been delivered to customers such that risks and rewards of ownership have transferred to them. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

Grants Receivable and Management Fees
Grants receivable and management fees in respect of a specified period relating to the general activities of the charitable company are recognised in the income and expenditure account in the period in which they become receivable.

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

Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Irrecoverable VAT
Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

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

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment. 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:

Improvements to property	- over the remaining life of the lease to the Charitable Company
Plant and equipment	- Between 20% and 50% straight line
Computer equipment	- 33% straight line

Stocks
Inventories have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES - continued

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

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

Concessionary Loan
Concessionary loans include those payable to a third party which are interest free and are made to advance charitable purposes. In accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" effective 1 January 2015, concessionary loan are recognised at the amount received. The notional interest associated with a concessionary loan is recognised in the Statement of Financial Activities.

Service Concession Arrangements
The Charitable Company has a Service Contract with a Local Authority for the maintenance and operation of leisure centres owned by the Local Authority to which it has a lease and management service contract. The Authority has rights under the contract to specify the activities offered by the centres and have influence over the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contract specifies minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

Property, plant and equipment
The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charitable Company's Balance Sheet.

Receipts
The Charitable Company receives an agreed payment from the Authority each year which is adjusted each year by inflation and can be reduced if the Charitable Company fails to meet availability and performance standards in any year but which is otherwise fixed.
In cases where the receipt from the Authority includes funding for specific works to be carried out in accordance with specifications laid down in the contract but which has not been spent at the year end a provision is included in the financial statements to reflect this.

Leasing and hire purchase
Property, plant and equipment acquired under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES- continued

Pension costs and other post-retirement benefits

The Charitable Company accounts for the pension scheme in accordance with the Financial Reporting Standard 102. The Charitable Company operates a defined benefits pension scheme and pension charge is based on a full actuarial valuation dated 31 March 2016. The Charitable Company provides pension benefits for eligible staff through a Kent County Council administered pension scheme. The Kent County Council administered scheme is a multi-employer scheme which provides benefits based upon final pensionable pay.

For defined benefit schemes the amounts charged to resources expended on charitable activities are the current service costs and any gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately if the benefits are vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The defined benefit scheme is funded, and the assets of the scheme are held separately from those of the charity in a trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on long dated high quality corporate bonds of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. See note 25 for further information in connection with the Charitable Company's defined benefit scheme.

Taxation

The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the society's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 to 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. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets. The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuations performed have been used by the actuaries in valuing the pensions liability at 31 December 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total Funds 2016 £	Total funds 2015 £
Donations	14,364	-	14,364	18,838

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

3. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total Funds 2016 £	Total funds 2015 £
Deposit account interest	1,983	-	1,983	1,089

4. OTHER INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total Funds 2016 £	Total funds 2015 £
Other income	5,475	-	5,475	-

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Operation of leisure centres	5,054,557	5,931	5,060,488	4,930,956
Management Fees	156,000	3,210	159,210	182,577
Total	5,210,557	9,141	5,219,698	5,113,533

£156,000 (2015: £156,000) was received from Canterbury City Council for the management of leisure centres.

6. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Summary by fund type				
Operation of leisure centres	5,073,777	17,295	5,091,072	5,026,362
Total	5,073,777	17,295	5,091,072	5,026,362

	Staff costs 2016 £	Direct costs 2016 £	Support costs 2016 £	Total funds 2016 £	Total funds 2015 £
Summary by expenditure type					
Operation of leisure centres	3,368,955	1,085,910	636,207	5,091,072	5,026,362
Total	3,368,955	1,085,910	636,207	5,091,072	5,026,362

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

7. SUPPORT COSTS

Included in support costs of £636,207 as stated in note 6 above are costs as follows:

	31.12.16	31.12.15
	£	£
Premises expenses	568,613	566,699
Travel and accommodation	53,572	71,819
Legal and professional	6,022	41,634
Governance costs	8,000	7,725
	636,207	687,877

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and wellbeing services. Governance costs are made up of auditor's remuneration of £8,000 (2015: £7,725).

8. NET INCOME/(EXPENDITURE)

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

	31.12.16	31.12.15
	£	£
Auditors' remuneration	8,000	7,725
Depreciation - owned assets	111,422	103,149
Depreciation - assets on hire purchase contracts and finance leases	65,628	138,732
Hire of plant and machinery	8,503	5,547
(Surplus)\deficit on disposal of fixed asset	(5,475)	(6,414)

9. AUDITORS REMUNERATION

The auditor's remuneration amounts to an audit fee of £8,000 (2015: £7,725).

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

11. STAFF COSTS

	31.12.16	31.12.15
	£	£
Wages and salaries	2,954,725	2,835,299
Social security costs	141,792	117,442
Other staff costs	25,428	23,549
Other pension costs	247,010	243,524
	3,368,955	3,219,814

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

	31.12.16	31.12.15
Full time	53	42
Part time	312	316
	365	358

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

11. STAFF COSTS- continued

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	31.12.16	31.12.15
Management	18	18
Support	7	5
Direct	81	90
	106	113

One employee received remuneration between £70,000 and £80,000 in 2016 (One between £70,000 and £80,000 in 2015).

12. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2015: £Nil).

The total amount of employee benefits received by key management personnel is £363,909 (2015: £341,889). The trust considers its key management personnel comprise Neil West, Neil Mason, Laura Downes, Debbie Collins, David Sayle, Jonathan Wake, Carol Gillatt, and Giles Seaford.

The trustees did not have any expenses reimbursed during the year (2015: £Nil).

13. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.16	31.12.15
	£	£
Concessionary loans	6,753	8,281
Finance charges payable under finance leases	4,506	28,084
Interest on net defined benefit pension liability	42,000	52,000
Bank charges	30,137	15,116
	83,396	103,481

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund	Restricted funds	Total funds
		£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	18,838	-	18,838
Investment income	3	1,089	-	1,089
Other Income		-	-	-
Charitable activities				
Operation of leisure and recreation sites	5	5,086,709	26,824	5,113,533
Total		5,106,636	26,824	5,133,460
EXPENDITURE ON				
Charitable activities				
Operation of leisure and recreation sites	6	4,999,739	26,623	5,026,362
Total		4,999,739	26,623	5,026,362
NET INCOME		106,897	201	107,098
Transfers between funds	24	(317)	317	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	25	466,000	-	466,000
Net movement in funds		572,580	518	573,098
RECONCILIATION OF FUNDS				
TOTAL FUNDS BROUGHT FORWARD		(1,595,551)	51,488	(1,544,063)
TOTAL FUNDS CARRIED FORWARD		(1,022,971)	52,006	(970,965)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

15. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2016	1,189,063	1,012,788	120,817	2,322,668
Additions	-	120,796	-	120,796
Disposals	(4,960)	(56,598)	-	(61,558)
At 31 December 2016	1,184,103	1,076,986	120,817	2,381,906
DEPRECIATION				
At 1 January 2016	722,077	888,086	119,330	1,729,493
Charge for year	86,300	89,561	1,189	177,050
Eliminated on disposal	(3,434)	(56,598)	-	(60,032)
At 31 December 2016	804,943	921,049	120,519	1,846,511
NET BOOK VALUE				
At 31 December 2016	379,160	155,937	298	535,395
At 31 December 2015	466,986	124,702	1,487	593,175

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Totals £
COST		
At 1 January 2016	614,050	614,050
Transfer to ownership	(509,468)	(509,468)
At 31 December 2016	104,582	104,582
DEPRECIATION		
At 1 January 2016	527,505	527,505
Charge for year	65,628	65,628
Transfer to ownership	(509,468)	(509,468)
At 31 December 2016	83,665	83,665
NET BOOK VALUE		
At 31 December 2016	20,917	20,917
At 31 December 2015	86,545	86,545

16. STOCKS

	31.12.16 £	31.12.15 £
Stock	41,682	29,259

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Trade debtors	81,326	87,387
Other debtors	12,913	20,314
Prepayments and accrued income	68,757	68,982
	162,996	176,683

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Bank loans and overdrafts (see note 20)	-	208
Other loans (see note 20)	50,000	50,000
Hire purchase (see note 21)	24,360	91,210
Trade creditors	120,101	125,776
Social security and other taxes	39,177	36,137
VAT	8,010	8,409
Other creditors	30,050	31,291
Accruals and deferred income	485,385	476,779
	757,083	819,810

The bank overdraft at the year end represents an overdraft on one restricted fund. No bank account operated by the Charitable Company has been overdrawn during the year under review.

Details of leasing arrangements are provided in note 21.

Deferred income

	31.12.16	31.12.15
	£	£
Deferred income brought forward	95,629	95,141
Resources deferred in the year	84,268	95,629
Amounts released from previous years	(95,629)	(95,141)
Deferred income carried forward	84,268	95,629

Included within deferred income held at 31 December 2016 is £66,987 (2015: £79,162) relating to memberships in the following financial year. The remaining £17,281 (2015: £16,467) relates to swimming lessons to be provided in the following financial year.

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

	31.12.16	31.12.15
	£	£
Other loans - 1-2 years	50,000	50,000
Other loans - 2-5 years	150,000	200,000
Hire purchase	-	24,360
	200,000	274,360

No interest is chargeable on the other loan outstanding at the year end. It is repayable by quarterly instalments of £12,500, and will be fully repaid by 2022. Notional interest has been recognised as a donation in 2016 of £6,753 (2015: £8,281).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

20. LOANS

An analysis of the maturity of loans is given below:

	31.12.16 £	31.12.15 £
Amounts falling due within one year on demand:		
Bank overdraft	-	208
Other loans	50,000	50,000
	50,000	50,208
Amounts falling between one and two years:		
Other loans - 1-2 years	50,000	50,000
Amounts falling due between two and five years:		
Other loans - 2-5 years	150,000	200,000

21. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Finance leases primarily relate to gym equipment.

	Hire purchase contracts	
	31.12.16 £	31.12.15 £
Net obligations repayable:		
Within one year	24,360	91,210
Between one and five years	-	24,360
	24,360	115,570

22. CONCESSIONARY LOANS PAYABLE

	31.12.16 £	31.12.15 £
Canterbury City Council	250,000	300,000

The Canterbury City Loan terms of repayment are quarterly payments of £12,500 and is interest free. A notional interest is calculated on the remaining balance and recognised as an expense and as a donation in the Statement of Financial Activities.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Fixed assets	535,395	-	535,395	593,175
Current assets	774,261	43,910	818,171	631,030
Current liabilities	(757,083)	-	(757,083)	(819,810)
Long term liabilities	(200,000)	-	(200,000)	(274,360)
Pension liability	(3,524,000)	-	(3,524,000)	(1,101,000)
	(3,171,427)	43,910	(3,127,517)	(970,965)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

24. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
Unrestricted funds				
General fund	(1,022,971)	(2,148,398)	(58)	(3,171,427)
Restricted funds				
Henry Smith Fund	5,000	-	-	5,000
MEND	375	(343)	-	32
Active Kids 4 Life	23,259	-	-	23,259
KCC Capital Grant Scheme for Sport	8,924	(5,904)	-	3,020
Sportivate/Canoe Wild	2,156	-	-	2,156
Street Games Porchlight	2,525	(2,424)	-	101
Rounders	2,372	(330)	-	2,042
Satellite Clubs	4,700	358	-	5,058
Make Your Move	2,695	(1,403)	-	1,292
Walking Football	-	1,950	-	1,950
Nautilus	-	(58)	58	-
	52,006	(8,154)	58	43,910
TOTAL FUNDS	(970,965)	(2,156,552)	-	(3,127,517)

Restricted funds comprise Henry Smith Charity, MEND, Active Kids 4 Life, KCC Capital Grant Scheme for Sport, Canoe Wild, Rounders, Satellite Clubs, Walking Football, Street Games, Make Your Move, and Nautilus.

The use of the Henry Smith fund is to purchase equipment to assist disabled people to access and enjoy the facilities.

The use of the MEND fund is to deliver an exercise and nutrition program for overweight children.

The use of Active Kids 4 Life fund is to continue to deliver an exercise and nutrition program for the graduates of the MEND programme.

The use of the KCC Capital Grant for Sport is to contribute to the purchase of a new dancer system, with the aim of keeping teenage girls active.

The Sportivate/Canoe Wild funding was provided to enable semi sporty 11-25 year olds to participate in canoeing.

The Streetgames funding is to provide a vibrant and varied sporting offer to young people in disadvantaged communities that is designed to grow their motivation and ability to adopt a sporting habit for life.

Rounders funding was received from Rounders England to deliver projects that will increase the Rounders participation in Canterbury.

Satellite Clubs are aimed at 14 to 25 year olds, and hopes to attract a new audience to sport clubs. The satellites are extensions of community sports clubs which can offer a different sporting experience for young people. Different because they bring sport out to young people in very local venues and different also because they may attract young people who are not typically sporty.

Make Your Move funding from Sport England is for the Sistaz project. The project targets 14 to 19 year old females in deprived locations with the highest levels of inactivity, and that are furthest away from the leisure centres. Twelve weeks of activity are provided across five locations.

Walking Football funding is for the provision of walking football projects aimed at encouraging over 50's to be more active.

Nautilus is a Police funded project to reduce antisocial behaviour in Herne Bay. The Police/Council's Community Safety Unit Funded Active Life coaches to deliver diversionary activities over the course of the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

24. MOVEMENT IN FUNDS- continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,232,379	(5,073,777)	(2,307,000)	(2,148,398)
Restricted funds				
MEND	-	(343)	-	(343)
KCC Capital Grant Scheme for Sport	-	(5,904)	-	(5,904)
Sportivate/Canoe Wild	-	-	-	-
Street Games Porchlight	4,994	(7,418)	-	(2,424)
Rounders	1,430	(1,760)	-	(330)
Satellite Clubs	600	(242)	-	358
Make Your Move	-	(1,403)	-	(1,403)
Walking Football	1,950	-	-	1,950
Nautilus	167	(225)	-	(58)
	9,141	(17,295)	-	(8,154)
TOTAL FUNDS	5,241,520	(5,091,072)	(2,307,000)	(2,156,552)

25. EMPLOYEE BENEFIT OBLIGATIONS

The Charitable Company operates a defined benefit pension scheme which is funded. The pension scheme is administered by Kent County Council.

The pension costs and provision for the year ending 31 December 2016 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 March 2016.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.12.16	31.12.15
	£	£
Present value of funded obligations	(9,564,000)	(6,017,000)
Fair value of plan assets	6,040,000	4,916,000
Deficit in the scheme	(3,524,000)	(1,101,000)
Net liability	(3,524,000)	(1,101,000)

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.12.16	31.12.15
	£	£
Current service cost	238,000	234,000
Net interest from net defined benefit asset/liability	42,000	52,000
Administrative expenses	3,000	3,000
	283,000	289,000
Actual return on plan assets	917,000	180,000

25. EMPLOYEE BENEFIT OBLIGATIONS- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.12.16	31.12.15
	£	£
Defined benefit obligation	(6,017,000)	(5,972,000)
Current service cost	(238,000)	(234,000)
Contributions by employee	(72,000)	(72,000)
Interest cost	(248,000)	(228,000)
Change in financial assumptions	(3,018,000)	462,000
Benefits paid	29,000	27,000
	(9,564,000)	(6,017,000)

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.16	31.12.15
	£	£
Fair value of scheme assets	4,916,000	4,524,000
Contributions by employer	167,000	170,000
Contributions by scheme participants	72,000	72,000
Interest on assets	206,000	176,000
Return on assets less interest	711,000	4,000
Benefits paid	(29,000)	(27,000)
Administrative expenses	(3,000)	(3,000)
	6,040,000	4,916,000

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.16	31.12.15
	£	£
Return on fund assets in excess of interest	711,000	4,000
Change in financial assumptions	(3,018,000)	462,000
	(2,307,000)	466,000

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.16	31.12.15
Equities	69%	67%
Gilts	1%	1%
Bonds	10%	11%
Property	13%	14%
Cash	2%	2%
Target return portfolio	4%	4%

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016

25. EMPLOYEE BENEFIT OBLIGATIONS- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.12.16	31.12.15
Discount rate	2.8%	4.1%
Future salary increases	4.6%	4.4%
Future pension increases	2.8%	2.6%
RPI Increases	3.7%	3.5%
CPI Increases	2.8%	2.6%

Amounts for the current and previous periods are as follows:

Defined benefit obligation	31.12.16	31.12.15	31.12.14	31.12.13	31.12.12
Defined benefit pension plans					
Defined benefit obligation	(9,564,000)	(6,017,000)	(5,972,000)	(4,811,000)	(4,036,000)
Fair value of scheme assets	6,040,000	4,916,000	4,524,000	4,076,000	2,998,000
Deficit	(3,524,000)	(1,101,000)	(1,448,000)	(735,000)	(1,038,000)
Experience adjustments on scheme assets	-	-	(33,000)	712,000	65,000
Experience adjustments on scheme liabilities	-		-	72,000	-

Sensitivity analysis

	£000's +0.1%	£000's 0.0%	£000's -0.1%
Adjustment to discount rate			
Present value of total obligation	9,339	9,564	9,794
Projected service cost	365	374	383
Adjustment to long term salary increase			
Present value of total obligation	9,754	9,564	9,525
Projected service cost	374	374	374
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	9,754	9,564	9,378
Projected service cost	383	374	365
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present value of total obligation	9,815	9,564	9,320
Projected service cost	384	374	365

26. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2016.

27. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Charitable Company is controlled by the Board of Trustees.