BOROUGH OF HAVANT SPORT AND LEISURE TRUST

England & Wales · Charity number 1060896

Details

Other names	HORIZON LEISURE CENTRES
Status	Registered
Legal form	Charitable company
Company number	03319069
Registered	1997-02-24
Register	View on the Charity Commission register

Contact

Address	Havant Leisure Centre Civic Centre Road Havant PO9 2AY
Phone	02392416026
Email	info@horizonlc.com
Website	www.horizonlc.com

Downloaded from opencharities.uk/ew/1060896

Activities

Objects: THE OBJECTS FOR WHICH THE TRUST IS ESTABLISHED ARE AS FOLLOWS:(A) TO PROVIDE OR TO ASSIST IN PROVIDING SERVICES AND FACILITIES FOR RECREATION, PHYSICAL AND OTHER EDUCATION OR LEISURE TIME OCCUPATION IN THE INTERESTS OF SOCIAL WELFARE, SUCH SERVICES AND FACILITIES BEING PROVIDED IN ACCORDANCE WITH THE FOLLOWING SUB-PARAGRAPHS OF THIS SUB-CLAUSE, NAMELY:(I) THE FACILITIES TO BE PROVIDED SHALL BE FACILITIES AVAILABLE TO THE PUBLIC AT LARGE SAVE THAT SPECIAL FACILITIES MAY BE PROVIDED FOR PERSONS WHO BY REASON OF THEIR YOUTH, SEX, AGE, INFIRMITY OR DISABLEMENT, POVERTY OR SOCIAL OR ECONOMIC CIRCUMSTANCES MAY HAVE NEED OF SPECIAL FACILITIES.(II) WHILE THE PERSONS FOR WHOM THE FACILITIES ARE PRIMARILY INTENDED ARE THE COMMUNITY LIVING WITHIN THE AREA THAT THE FACILITIES ARE LOCATED THE USE OF SUCH FACILITIES MAY BE EXTENDED TO OTHER MEMBERS OF THE PUBLIC WHO DESIRE AND CAN CONVENIENTLY MAKE USE OF THEM.(III) IN THIS SUB-CLAUSE THE EXPRESSION PROVIDING FACILITIES INCLUDES NOT ONLY THE PROVISION OF LAND, BUILDINGS, EQUIPMENT AND OTHER PHYSICAL FACILITIES BUT ALSO THE ORGANISATION OF RECREATIONAL, PHYSICAL EDUCATIONAL AND OTHER LEISURE TIME ACTIVITIES FOR THE BENEFIT OF THE PUBLIC AT LARGE OR (WHERE REQUIRED) OF THE SPECIAL CLASSES OF PERSONS MENTIONED IN SUB-PARAGRAPH (II) OF THIS SUB-CLAUSE.(IV) IN THE CONSTRUCTION OF THIS CLAUSE IT SHALL BE DEEMED AN OVERRIDING PRINCIPLE THAT THE ACTIVITIES TO BE UNDERTAKEN SHALL BE SUCH AS WILL FURTHER THE SOCIAL WELFARE OF THE COMMUNITY BY IMPROVING THE CONDITIONS OF LIFE OF THAT COMMUNITY.?

Activities: The provision of sport and leisure activities to the surrounding community via the operation of multi-use leisure facilities and wellbeing hub.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Amateur Sport, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** ENGLAND
- Hampshire
- Surrey

Downloaded from opencharities.uk/ew/1060896

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,139,213	£7,793,839	£7,440,991	224
2024-03-31	£7,070,141	£6,933,195	£6,978,694	199
2023-03-31	£5,478,955	£5,593,564	£6,791,080	177
2022-03-31	£4,509,808	£4,715,886	£5,879,735	178
2021-03-31	£2,431,541	£3,717,159	£5,450,870	172

Trustees

Name	Role	Appointed
Barry Huw Roach		2025-09-25
Gillian Foster		2023-09-28
JASON CROUCH		2012-07-26
Michaela Watkins-Glass		2026-01-29
PHILIP JONES		
Peter Mellor		2020-06-08
Peter Reginald Lewis		2019-11-07
Robert Hedley		2025-02-27

Downloaded from opencharities.uk/ew/1060896

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

England & Wales - Charity number 1060896

Accounts

REGISTERED COMPANY NUMBER: 03319069
REGISTERED CHARITY NUMBER: 1060896

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 FOR BOROUGH OF HAVANT SPORT AND LEISURE TRUST

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONTENTS TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 9
Consolidated Statement of Financial Activities	10
Consolidated Balance Sheet	11
Consolidated Statement of Cashflows	12
Notes to the Financial Statements	13 to 32

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The Trustee Board of the Borough of Havant Sport and Leisure Trust ('the Charity') are pleased to present their annual report and consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2025. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our purposes and activities

The purposes of the Charity are:

- to provide fully inclusive access at affordable prices to sport and leisure facilities; and
- to help improve the health and well-being of the community

The principal object of the Charity is the provision of services and facilities for recreation, physical and other education, or leisure time occupation in the interests of social welfare. The Charity's vision is 'Inspiring healthier, happier communities,' and Horizon is committed to providing best-value leisure centres that are accessible to all. The relationship with Havant Borough Council is integral to Horizon's future strategic direction. Horizon are supporting the council in developing an Active Wellbeing Strategy for the Borough, which will clearly illustrate how both partners will encourage active and healthy lifestyles for local people.

In terms of the trading subsidiary, the main undertaking is the provision of food, beverages, and retail in the leisure centres operated by the Charity, with profits gift-aided into the Charity annually.

The strategies employed to achieve The Charity's aims and objectives are to:

- Provide high quality leisure and sport facilities.
- Develop an Active Wellbeing Service which is accessible to all sections of the local community.
- Offer a varied programme of activities (sporting and non-sporting) which encourages use of the Centres by all sections of the community;
- Provide activities at prices affordable to members of the community.
- Provide a wide range of activities to encourage all sections of the community to participate in health and wellbeing activities; and
- Continuously review the range of activities to ensure that these meet the evolving needs of the local community.

Horizon will continue to evolve, and the future of provision will change to be more aligned with other health and wellbeing providers. Horizon will begin to consider co-located services and the introduction of the integrated health and wellbeing systems to reduce health inequalities and maximise prevention of specific health conditions. Over the last year, strong partnerships have been formed with the NHS and Social Prescribers, Hampshire Mind and Havant Borough Council's Community Team to enhance targeted community programmes.

Community Health and Wellbeing

The Charity has had a particularly successful year in its Community Health and Wellbeing Programme, with over 719 people enrolled in our Health Referral scheme, illustrating increased engagement and commitment from local residents.

In partnership with Hampshire County Council, Horizon launched a Tier 2 Weight Management programme targeting women. This funded programme has been hugely successful and impactful, entering its 20th cohort, and has seen positive results in terms of weight loss, improved confidence, and motivation to lead more active lifestyles. With additional funding, this programme demonstrates Horizon's ability to deliver effective health intervention projects for local people.

Horizon's wider social value exceeds £8.1 million, reflecting its significant contribution across four key areas: health, education, wellbeing, and crime reduction. This impact is achieved not only within Horizon's facilities but across the broader community through an extensive programme of outreach classes that bring physical activity directly into neighbourhoods across the Borough. By removing barriers to participation, Horizon promotes healthier lifestyles and wider engagement. Targeted initiatives such as stroke rehabilitation, Escape Pain, and falls prevention provide critical support for individuals with complex health needs, enabling them to maintain independence, build confidence, and improve long-term quality of life.

The Wellbeing Hub

The Wellbeing Hub at the Meridian Shopping Centre in Havant is a central component of Horizon's strategy to advance community health and reduce inequalities. Developed in partnership with Havant Borough Council, the Hub was created to engage residents who may be less active or require additional support by providing easily accessible health and wellbeing services within a familiar high street setting. Its location outside of traditional leisure centre environments helps foster a more inclusive and welcoming atmosphere that encourages participation from a broader cross-section of the community.

The Hub has quickly become a trusted space for physical and mental health support, as well as a social anchor that strengthens community connections. Strategic partnerships with Southern Health, Smoke Free Hampshire, local physiotherapists, Havant Borough Council, and social prescribing teams enable a coordinated model that improves referral pathways and integrates services across the system.

Collaboration with the NHS has further enhanced the Hub's reach and effectiveness. During the year, 204 patients were discharged following physiotherapy programmes delivered at the Hub, which supported reduced NHS waiting times and ensured continuity of care for individuals transitioning back into their daily routines.

In 2024/25, the Hub recorded 1,415 attendances for health checks including blood pressure, cholesterol, and glucose testing. This marked a substantial increase from 501 visits during its initial nine-month period in 2023/24. The Hub also offers an eight-week supported exercise programme that equips residents to adopt sustainable, healthy lifestyle changes.

Swim School

Horizon's Swim School continues to be a success with around 3,100 people now learning to swim across the three centres, the programme has been consistent in providing pool space for those wishing to learn to swim. Swim School provides a defined pathway to competitive swimming and forms an important aspect of Horizon's relationship with Havant and Waterlooville Swimming Club.

In 2024, Horizon rolled out the Swim England's national syllabus for teaching swimming. This transition enhanced the quality of the programme, ensuring that participants are taught to the highest standards, which will support the continued growth and success of the Swim School. Strategic planning of pool space, increased occupancy, and effective swimmer progression have all contributed to this impressive growth.

Future Developments

In partnership with Havant BC, Horizon secured £200,000 in Community Infrastructure Levy (CIL) funding from Winchester City Council, alongside £1.9 million in Section 106 support and a £400,000 ringfenced contribution from Horizon. These combined funds will enable a £2.7 million capital investment in the redevelopment of Waterlooville Leisure Centre. This investment follows extensive consultation with residents across the Borough and reflects Horizon's commitment to providing modern, inclusive facilities that directly respond to community needs.

Over the next 12 to 18 months, Horizon will focus on transforming the centre into a leading destination for health, fitness, and wellbeing. Planned enhancements include expanded gym areas, refreshed hospitality and changing spaces, upgraded outdoor zones, and the introduction of Padel courts to support the growth of this dynamic new sport. Family-focused fitness concepts will also be incorporated to engage a wider demographic.

The redevelopment presents a valuable opportunity to integrate co-located services with health partners, enabling clinical consultations, targeted exercise programmes, and preventative support to be delivered in a single accessible setting. Once complete, Waterlooville Leisure Centre will stand as a flagship example of Horizon's vision for holistic, community-led health and wellbeing provision.

Trading subsidiary

The Trading Company continues to deliver strong commercial performance, generating annual income of £360,084 in 2024/25. This represents a year-on-year increase of £25,045, or 7.5 percent, compared to £335,039 in the previous year. The uplift reflects a focused strategy to strengthen Horizon's food and beverage operations across Havant and Waterlooville Leisure Centres. Enhancements included refreshed café environments, improved menu options, and more targeted product development. These changes have resulted in greater customer engagement, increased dwell time, and stronger secondary spend, positioning the Trading Company as a growing and resilient contributor to Horizon's overall financial performance.

Financial Performance and attendances

Horizon recorded another year of positive financial performance for the period ending 31 March 2025. Group net surplus totalled £360,297, up from £133,614 in the previous year. Total income reached £8.1 million, representing a 15 percent increase year on year.

Visitor numbers across Horizon's facilities also grew substantially. In 2024/25, Horizon welcomed approximately 1,250,000 visits, up from 1,092,160 in 2023/24, a 14 percent increase. The number of active gym members increased by 23 percent during the year, while attrition was consistently maintained at an average of 4 percent. These results reflect Horizon's success in delivering targeted programme development, facility enhancements, and customer experience improvements that continue to drive member growth, retention, and brand loyalty.

Horizon's Five-Year Strategy

Horizon is in the fourth year of its five-year strategic plan, which sets out the organisation's direction for the period 2021-2026. The strategic plan underpins the transformation programme, which has mapped out clear objectives to take the organisation from 'Good' to 'Great'. The key strategic themes are:

- Our Future
- Our People
- Our Customers
- Our Impact
- Our Finances

Horizon continues to foster a high-performing organisational culture, focused on strategic delivery, improvement, and innovation. The current Strategy sets out a clear framework of ambitious yet achievable objectives that guide the organisation's direction and ensure meaningful outcomes for the communities it serves. These objectives shape leadership priorities and operational focus, with progress evidenced annually through Horizon's Impact Report.

Collaborative working remains central to Horizon's success. Strong partnerships with stakeholders and organisations across the Borough help align efforts and extend Horizon's reach. In particular, the relationship with Havant Borough Council continues to strengthen, built around a shared commitment to creating a healthier and more active Borough. Horizon will maintain its focus on inclusive service delivery, targeted health initiatives, and community-based wellbeing solutions that reflect local needs and aspirations. Horizon has played a proactive role in shaping Havant Borough Council's Active Wellbeing Strategy and will continue to be a key contributor in meeting our partners strategic objectives.

Business Expansion and Growth

Horizon Guildford, which opened in June 2023, has seen tremendous success over the last two years of operation, significantly increasing Horizon's reach and brand profile in the South of the UK. The centre has become a valuable community asset delivering social impact and improving the health and wellbeing of local people. Children's swimming lessons and a family swim have also been introduced, which complement the wider health and fitness and group exercise services. Over the coming year, Horizon will continue to assess future business growth opportunities that have a clear strategic fit with the charitable business model.

Capital Enhancements

Horizon remains firmly committed to improving the quality and accessibility of its facilities to better serve members and local communities. In 2024/25, the organisation invested £422k into a range of targeted improvements that enhance service delivery, member experience, and long-term sustainability. This included upgraded café furniture to improve social spaces, soft play additions such as an inflatable football goal, Hyrox functional training equipment to diversify gym offerings, improved entry gate systems for smoother access, and the implementation of Course Pro to streamline swimming lesson bookings. Significant capital investments also included over £250k to replace the gym strength equipment at Havant Leisure Centre, and £120k towards cardiovascular equipment upgrades at Waterlooville Leisure Centre. Horizon further progressed its environmental ambitions through the installation of solar panels at Waterlooville supported by a £197k Sport England sustainability grant.

Conclusion

Horizon has delivered a strong and progressive year throughout 2024/25, marked by targeted investment, innovative service development, and a deepening connection with local communities. With expanded facilities, rising participation, and strengthened partnerships, the organisation continues to demonstrate meaningful progress against its strategic objectives, delivering evidence based impact in the communities we serve.

Looking ahead, Horizon remains ambitious and focused on its charitable purpose, building momentum through collaboration, clear direction, and sustained investment. With a strong foundation in place, Horizon is well-positioned to drive forward inclusive growth, deliver lasting social value, and support healthier, more active lives across the Borough and beyond.

Reference and administrative details

Charity Number 1060896
Company Number 03319069
Registered Office Havant Leisure Centre, Civic Centre Road, Havant, Hampshire, PO92AY

Our advisers

Auditors MC Audit Limited
Station House, North Street, Havant, Hampshire, PO9 1QU

Bankers National Westminster Bank plc
23 West Street, Havant, Hampshire, PO9 1EU

Solictors	Blake Morgan New Kings Court, Tailgate, Chandler's Ford, Hampshire, SO53 3LG
Insurers	Aston Lark Ltd Malling House, West Malling, Kent, ME19 6QL

Directors and trustees
The directors of the charitable company (the Charity) are its Trustees for the purpose of charity law.
The Trustees and officers serving during the year and since the year-end were as follows:

Key management personnel Borough of Havant Sport and Leisure Trust:
P Mellor
J Crouch
P Jones
P Lewis
S Gohl
R Hedley - Resigned 30 May 2024, Appointed 27 February 2025
G Foster
J Bowskill - Resigned 27 March 2025
A Rees - Appointed 25 April 2024, Resigned 27 February 2025

Secretary
P Lewis

Senior Managers
The Leadership Team consists of the following posts:
Chief Executive
Head of Finance
Commerical Director
Head of People and Culture

Manager Structure, Governance and Management

Governing Document
The Borough of Havant Sport and Leisure Trust is a company limited by guarantee, registered with Companies House, set up on 17 February 1997. Its activities are governed by its Articles of Association, which were last amended on 28 April 2022. The Charity is registered with the Charity Commission. The members of the company are the trustees/directors. Each member agrees to contribute £5 in the event of the Charity being wound up.

The Charity has a subsidiary trading company, which is a private limited company. The subsidiary is wholly owned by the charity.

Appointment of trustees
Trustees are appointed on the agreement of the Board following consideration of a CV and formal application. In most cases, a recommendation is made by the Board Chair and the Chief Executive to the Board on suitability following an informal meeting with the applicant, which can be attended by any trustee.

Trustee induction and training

An induction pack is provided to all new directors, which contains relevant information in relation to their roles and responsibilities as charitable trustees as well as information relating to the business of the charity. The induction includes a tour of the facilities operated by the Charity and an introduction to key members of staff.

Formal trustee training is planned annually although trustees can seek assistance from senior management at any time. Topics for training vary from year to year and are democratically agreed. External speakers may be employed where necessary to provide expertise in specialist areas.

Attendance of trustees at annual charity presentations are actively encouraged in order to keep up to date on sector developments.

Organisations

The governing body of the Charity is the Trustee Board, which currently comprises of eight trustees, and meets on a monthly basis although additional meetings may be called when required.

A Chief Executive is appointed by the trustees to implement strategy and manage the day-to- day operations of the Charity.

By order of the Board of Trustees

P Jones
Chairman
Date: 25th september 2025

REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Borough of Havant Sport and Leisure Trust (the 'charitable company') and its subsidiaries for the year ended 31 March 2025 on pages 10 to 32, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and Cashflow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 MARCH 2025

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning ticket sales and grant income and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Use of our report

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

Stuart Mackie (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU
Date: 26 September 2025

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
INCOME FROM					
Charitable activities:					
Operation of leisure centres	3	6,986,182	76,200	7,062,382	6,046,740
Income from donations	4	637,500	-	637,500	637,500
Other trading activities:					
Commercial trading operations	5	360,084	-	360,084	335,039
Investment income	6	79,247	-	79,247	50,862
Total		8,063,013	76,200	8,139,213	7,070,141
EXPENDITURE ON					
Cost of raising funds:					
Commercial trading operations		343,707	-	343,707	306,010
Charitable activities:					
Operation of leisure centres	7	6,736,432	76,200	6,812,632	5,989,685
Donated facilities	7	637,500	-	637,500	637,500
Total	25	7,717,639	76,200	7,793,839	6,933,195
Net gains/(losses) on investments		14,923		14,923	(3,332)
NET INCOME/(EXPENDITURE)		360,297	-	360,297	133,614
Transfers between funds		217,085	(217,085)	-	-
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	29	102,000	-	102,000	54,000
NET MOVEMENT IN FUNDS		679,382	(217,085)	462,297	187,614
RECONCILIATION OF FUNDS					
Total funds brought forward		6,761,609	217,085	6,978,694	6,791,080
TOTAL FUNDS CARRIED FORWARD		7,440,991	-	7,440,991	6,978,694

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
FIXED ASSETS					
Tangible assets	18	5,497,584	5,530,332	5,460,231	5,489,364
Investments	19	153,777	138,854	153,779	138,856
		5,651,361	5,669,186	5,614,010	5,628,220
CURRENT ASSETS					
Stocks	20	21,049	8,511	-	-
Current asset investments	21	965,519	258,721	965,519	258,721
Debtors	22	406,364	196,911	399,360	193,290
Cash at bank and in hand	28	1,396,243	1,956,880	1,372,742	1,933,373
		2,789,175	2,421,023	2,737,621	2,385,384
CREDITORS					
Amounts falling due within one year	23	(788,487)	(713,983)	(757,312)	(699,639)
NET CURRENT ASSETS		2,000,688	1,707,040	1,980,309	1,685,745
TOTAL ASSETS LESS CURRENT LIABILITIES		7,652,049	7,376,226	7,594,319	7,313,965
CREDITORS					
Amounts falling due in more than one year	24	(211,058)	(300,532)	(211,058)	(295,178)
NET ASSETS EXCLUDING PENSION LIABILITY		7,440,991	7,075,694	7,383,261	7,018,787
Defined benefit pension scheme liability	29	-	(97,000)	-	(97,000)
NET ASSETS		7,440,991	6,978,694	7,383,261	6,921,787
FUNDS					
Unrestricted funds:	25				
Unrestricted funds excluding pension liability		7,440,991	6,858,609	7,383,261	6,801,702
Pension reserve		-	(97,000)	-	(97,000)
		7,440,991	6,761,609	7,383,261	6,704,702
Restricted funds	25	-	217,085	-	217,085
TOTAL FUNDS		7,440,991	6,978,694	7,383,261	6,921,787

The financial statements were approved by the Board of Trustees on 25/09/2025 and signed on their behalf by:

P Jones - Chairman

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash flows from operating activities					
Cash generated from operations	27	665,614	695,717	638,972	661,520
Cash provided by (used in) operating activities		665,614	695,717	638,972	661,520
Cash flows from investing activities					
Interest income		79,247	50,862	79,247	50,862
Purchase of investments		(706,798)	-	(706,798)	-
Proceeds on sale of investments		-	1,735,173	-	1,735,173
Proceeds on sale of fixed assets		10,650	-	10,650	-
Purchase of tangible fixed assets		(528,676)	(1,406,675)	(509,360)	(1,386,802)
Cash provided by (used in) investing activities		(1,145,577)	379,360	(1,126,261)	399,233
Cash flows from financing activities					
Cash inflows from new borrowing		-	416,186	-	416,186
Repayment of borrowing		(80,674)	(102,218)	(73,342)	(94,886)
Cash provided by (used in) financing activities		(80,674)	313,968	(73,342)	321,300
Change in cash and cash equivalents in the reporting period		(560,637)	1,389,045	(560,631)	1,382,053
Cash and cash equivalents at the beginning of the reporting period		1,956,880	567,835	1,933,373	551,320
Total cash at the end of the year	28	1,396,243	1,956,880	1,372,742	1,933,373

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preperation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Borough of Havant Sport and Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of the accounts on a going concern basis

The Charity reported a cash outflow of £480k (2024: inflow of £1,075k) from operating activities and investing activities.

At the year end the group had free reserves totalling £477k (2024: £424k). The designation of funds for future projects and potential shortfalls is considered to ensure the future of the charity. The trustees have reviewed projected income and expenditure for the next twelve months and on that basis the Charity is a going concern.

1.3 Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.4 Income

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

Income represents point of sale receipts and amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

Income from local authority and other grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is accounted for in the period in which the Charity is entitled to receipt.

Income received in advance of a fitness class, swimming lesson or parties is deferred until the criteria for income recognition are met (see note 23).

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated facilities reflect the rateable value of the two leisure centres provided by the local authority for no charge and a 20% discretionary relief provided by the local authority on the National Non Domestic Rates bill.

1.6 Interest receivable

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

1.7 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 Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific 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 company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

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

1.8 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds comprise the costs of commercial trading including the cafes and goods for resale and their associated support costs.

Expenditure on charitable activities includes costs associated with the running of the leisure centres and include both the direct costs and support costs relating to these activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas, staff costs by time spent and other costs by their usage.

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

1.9 Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include support office costs, finance, personnel, payroll, and governance costs which support the Charity's leisure programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities where applicable. The bases on which support costs have been allocated are set out in note 9.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Substantial assets are reviewed and broken down into component parts where the useful economic life of a component is significantly different to the rest of the asset.

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

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:

Leasehold property consisting of:
- Land and buildings: Over the period of the lease
- Other components: Over 10 - 15 years straight line

Plant & machinery: 10% - 33% straight line
Income generating equipment: 20% - 50% straight line
Operational equipment: 20% - 33% straight line
Assets under construction: No depreciation charge

1.12 Investments

(i) Fixed asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(ii) Investments in subsidiaries are valued at cost less provision for impairment.

(iii) Current asset investments include short term highly liquid investments that require more than three months but less than one year notice to withdraw cash.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount due.

1.15 Creditors

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.

1.16 Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. A corresponding liability is recognised for the fair value of the leased asset in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Financial Activities so as to achieve a constant rate of interest on the remaining balance of the liability.

1.17 Pensions

The company operates a defined benefits pension scheme which requires contributions to be made to a separately administered fund. The scheme is closed to new members. A defined contribution pension scheme is available to all employees.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income or expenditure as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Allowance has been made for full indexation on all Guaranteed Minimum Pensions (GMP) for members whose State Pension Age is on or after 6 April 2016. A McCloud underpin liability has been calculated with the assumption that the underpin applies to
1) all members in service on 1 April 2012
2) members' benefits on reaching retirement (normal or ill health), or on prior withdrawal, and
3) spouse's benefits on death after retirement. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

1.18 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating and finance lease commitments
The Charity has entered into leases as a lessee for use of plant and equipment. The classification of such leases as operating or finance lease requires the Charity to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. One lease has been recognised as a finance lease.

Pensions
The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Management have placed reliance on the figures prepared by the work of an expert. Further details are given in note 29.

Fixed Assets
The Charity purchases fixed assets and writes the cost less estimated residual value down over the expected useful life of each asset. Choosing the useful economic life of an asset is a judgement by management that impacts on the financial statements over a number of years. A small variation in the life could have a significant affect on the financial statements. The useful life of the asset is determined in the year of purchase and is based on experience. This is reviewed annually to ensure it is still appropriate.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 8. In the event of the company being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £
Grants from institutions	198,868	76,200	5,053	49,079
Operation of leisure centres	6,787,314	-	5,992,608	-
	6,986,182	76,200	5,997,661	49,079

4. INCOME FROM DONATIONS

	2025 £	2024 £
Donated facilities	637,500	637,500

5. INCOME FROM OTHER TRADING ACTIVITIES

The wholly owned trading subsidiary the Borough of Havant Sport and Leisure Trading Limited is incorporated in the United Kingdom (company number 3406679) and pays all of its profits to the Charity under the gift aid scheme. The subsidiary operates café and bar facilities and sells leisure goods. All commercial trading operations are carried out at the Charity's leisure centres. A summary of the trading results is shown below.

	2025 £	2024 £
Turnover	359,513	334,573
Cost of sales and administration costs	(347,261)	(306,010)
Management charge expense	(12,000)	(13,110)
Other operating income	0	0
Interest receivable	571	466
Net profit	823	15,919
Amount gift aided to the charity	0	0
Retained in subsidiary	823	15,919

The assets and liabilities of the subsidiary were:		
Non-current assets	37,352	40,968
Current assets	54,959	61,648
Current liabilities	(34,579)	(40,353)
Non -current liabilities	0	(5,354)
Total net assets	57,732	56,909

6. INVESTMENT INCOME

	2025 £	2024 £
Bank interest	79,247	50,862

7. DIRECT COSTS

	Provision of sporting and leisure facilities to the public	Total funds	Total funds
	2025	2025	2024
	£	£	£
Operational staff	3,749,016	3,749,016	3,354,360
Other finance expense (Note 17)	5,000	5,000	8,000
Equipment and materials	163,150	163,150	107,545
Subcontractors	-	-	-
Premises and equipment maintenance	612,700	612,700	605,230
Repair and replacement fixtures	125,635	125,635	117,156
Energy and utility	778,160	778,160	612,002
Third party support and insurance	192,736	192,736	166,683
Marketing, unrecoverable VAT and other	315,658	315,658	314,852
(Gains)/losses on disposal of fixed assets	24,700	24,700	(12,752)
Depreciation	503,184	503,184	426,231
Governance costs	139,662	139,662	98,151
Support costs	203,031	203,031	192,227
	6,812,632	6,812,632	5,989,685
Donated facilities	637,500	637,500	637,500
	7,450,132	7,450,132	6,627,185

Expenditure on charitable activities was £6,812,632 (2024: £5,989,685) of which £6,736,432 was unrestricted (2024: £5,934,358) and £76,200 was restricted (2024: £55,327).

8. SUMMARY OF ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This shows the cost of the main charitable activity and the sources of income that directly support those activities.

	Provision of sporting and leisure facilities to the public	
	2025	2024
	£	£
Costs	(6,812,632)	(5,989,685)
Income from sport and leisure facilities	7,062,382	6,046,740
Net income to fund future costs and projects	249,750	57,055

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs these, along with the remaining support costs, are allocated to the cost of the Charity's key charitable activity. The table below shows the basis of apportionment and the analysis of support and governance costs.

	Basis of apportionment	General Support 2025 £	Governance function 2025 £	Total 2025 £
Audit, legal and professional (Note 11)	Governance	-	139,113	139,113
Trustee expenses and indemnity insurance	Governance	-	549	549
Corporate office staff costs	Time allocated	-	-	-
IT and payroll running costs	As invoiced	203,033	-	203,033
Council pension settlement	Support	-	-	-
		203,033	139,662	342,695

10. TURNOVER

All turnover arose within the United Kingdom.

11. NET INCOMING RESOURCES

This is stated after charging:	2025 £	2024 £
Depreciation of tangible fixed assets:		
Owned by the charitable group	445,400	378,129
Assets held under finance lease	80,674	72,742
(Surplus)/Loss on disposal of fixed assets	24,700	(12,752)
Auditor's remuneration:		
Auditor's remuneration	12,300	11,700
Auditor's remuneration- Other services	3,350	3,150
Operating leases - equipment	23,354	2,285

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2025	2024
	£	£
Staff costs were as follows:		
Wages and salaries	3,577,079	3,204,606
Social security costs	223,422	204,042
Other pension costs (Note 29)	58,846	44,652
Redundancy costs	20,818	-
	3,880,165	3,453,300

	2025	2024
The number of higher paid employees was:	No.	No.
In the band		
£60,001 - £70,000		
£70,001 - £80,000	1	1
£80,001 - £90,000		
£90,001 - £100,000		
£100,001 - £110,000		1
£110,001 - £120,000	1	

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

During the year, no trustees received any remuneration (2024: £NIL).

During the year, no trustees received any benefits in kind (2024: £NIL).

Two trustees received reimbursement of expenses amounting to £437 in the current year (2024: one trustee received £235).

The key management personnel of the parent charity comprise senior management team consisting of the Chief Executive, Head of People and Culture, Head of Finance and Commercial Director. The total employee benefits of the key management personnel of the Charity were £356,970 (2024: £322,347).

The key management personnel of the group comprise those of the Charity and the directors of its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited.

13. STAFF NUMBERS

The average monthly head count including casual and part-time staff during the year was as follows

	2025	2024
	No.	No.
Management	4	4
Other	220	195
	224	199

14. RELATED PARTIES

In 2025 the following transactions took place between the Charity and its wholly owned subsidiary Borough of Havant Sport and Leisure Trading Limited:

The provision of kitchen facilities at the Waterlooville café and kitchen equipment by the Charity to Borough of Havant Sport and Leisure Trading Limited of £1,084 (2024: £1,084).

The provision of management and administrative services by the Charity to Borough of Havant Sport and Leisure Trading Limited totalling £12,000 (2024: £12,000).

The transfer under gift aid of the trading profits of Borough of Havant Sport and Leisure Trading Limited to the Charity of £Nil (2024: £Nil).

At the balance sheet date the Charity owed Borough of Havant Sport and Leisure Trading Limited £3,403 (2024: £26,009). The majority of this balance represents receipts received by the Charity on behalf of Borough of Havant Sport and Leisure Trading Limited which were not paid to the Trading Company as at 31 March 2025.

15. GOVERNMENT GRANTS

Income from Government grants comprises project related grants made by Local Authorities to fund specific sport, leisure and health projects run by the Charity.

Below are the Government Grants received in the current and previous financial year.

	2025 £	2024 £
Government grants	275,178	78,090

16. CORPORATION TAX

As a charity, the Borough of Havant Sport and Leisure Trust benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable to corporation tax on income or gains falling within those exemptions.

17. OTHER FINANCE EXPENSES

	2025 £	2024 £
Expected return on pension scheme assets	190,000	177,000
Interest on pension scheme liabilities	(195,000)	(185,000)
	(5,000)	(8,000)

18. TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	L/Term Leashold Property £	Plant and Machinery £	Income generating equipment £	Operational Equipment £	Total £
COST						
At 1 April 2024	60,339	8,033,804	42,028	1,844,668	818,672	10,799,511
Additions	151,187	201,470	14,078	36,290	125,651	528,676
Disposals	(34,676)	(1,619)	(688)	(918)	-	(37,901)
At 31 March 2025	176,850	8,233,655	55,418	1,880,040	944,323	11,290,286
DEPRECIATION						
At 1 April 2024	-	3,247,189	29,985	1,388,679	603,326	5,269,179
Charge for year	-	321,589	11,613	121,433	71,439	526,074
Eliminated on disposals	-	(1,174)	(688)	(689)	-	(2,551)
At 31 March 2025	-	3,567,604	40,910	1,509,423	674,765	5,792,702
NET BOOK VALUE						
At 31 March 2025	176,850	4,666,051	14,508	370,617	269,558	5,497,584
At 31 March 2024	60,339	4,786,615	12,043	455,989	215,346	5,530,332

TANGIBLE FIXED ASSETS - CHARITY

	Assets under construction £	L/Term Leashold Property £	Plant and Machinery £	Income generating equipment £	Operational Equipment £	Total £
COST						
At 1 April 2024	60,339	8,033,804	-	1,802,643	812,608	10,709,394
Additions	151,187	201,470	-	31,052	125,651	509,360
Disposals	(34,676)	(1,619)	-	(918)	-	(37,213)
At 31 March 2025	176,850	8,233,655	-	1,832,777	938,259	11,181,541
DEPRECIATION						
At 1 April 2024	-	3,247,189	-	1,369,515	603,326	5,220,030
Charge for year	-	321,589	-	110,115	71,439	503,143
Eliminated on disposals	-	(1,174)	-	(689)	-	(1,863)
At 31 March 2025	-	3,567,604	-	1,478,941	674,765	5,721,310
NET BOOK VALUE						
At 31 March 2025	176,850	4,666,051	-	353,836	263,494	5,460,231
At 31 March 2024	60,339	4,786,615	-	433,128	209,282	5,489,364

19. FIXED ASSET INVESTMENTS

Group

	Listed Securities £
Market value	
At 1 April 2024	138,854
Disposals	-
Revaluations	14,923
At 31 March 2025	153,777
Historical cost	70,000

The listed securities are all held in unit trusts limited on the UK Stock exchange

Charity

	Listed Securities £	Shares in group undertakings £	Total £
Market Value			
At 1 April 2024	138,854	2	138,856
Disposals	-	-	-
Revaluations	14,923	-	14,923
At 31 March 2025	153,777	2	153,779
Historical cost	70,000	2	70,002

The Charity owns the whole of the issued share capital of the Borough of Havant Sport and Leisure Trading Limited, a company incorporated in England and Wales which carries on the business of running a café. The investment, which consists of 2 ordinary shares of £1 each, is shown at cost. In the opinion of the Trustees, the aggregate value of the shares in and amounts owing from the company's subsidiary is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet. The activities and results of this company are summarised in note 5.

20. STOCKS

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Catering supplies	21,049	8,511	-	-

21. CURRENT ASSET INVESTMENT

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash on deposit between 3 and 12 months	965,519	258,721	965,519	258,721

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	26,506	38,991	24,298	38,279
Prepayments and accrued income	184,118	157,920	179,322	155,011
Other debtors	195,740	-	195,740	-
Amounts owed by group undertakings	-	-	-	-
	406,364	196,911	399,360	193,290

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	227,500	216,584	211,162	200,594
Social security and other taxes	66,759	70,663	55,517	57,040
Other creditors	26,899	22,252	26,899	22,252
Finance leases	89,472	80,672	84,118	73,340
Amounts owed to group undertakings	-	-	3,403	26,009
Accruals and deferred income	377,857	323,812	376,213	320,404
	788,487	713,983	757,312	699,639

DEFERRED INCOME

Deferred income comprises advance bookings of fitness classes, swimming lessons and parties that take place after the year end.

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Brought forward	203,686	105,532	203,498	105,532
Amount released to incoming resources	(203,686)	(105,532)	(203,498)	(105,532)
Amount deferred in year	248,914	203,686	248,914	203,498
Carried forward	248,914	203,686	248,914	203,498

24. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Finance leases	211,058	300,532	211,058	295,178
	211,058	300,532	211,058	295,178

25. STATEMENT OF FUNDS

	Brought forward 1 April 24 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (losses) £	Carried forward 31 March 25 £
DESIGNATED FUNDS						
Improvement reserve	416,178	-	-	59,220	-	475,398
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	97,000	-	-	(97,000)	-	-
Fixed asset reserve	4,485,821	-	-	235,582	-	4,721,403
Fixed asset reserve Guildford	835,401	-	-	(59,220)	-	776,181
WLC extension reserve	400,000	-	-	-	-	400,000
Project reserve	-	-	-	195,740	-	195,740
	6,434,400	-	-	334,322	-	6,768,722
GENERAL FUNDS						
General reserve	424,209	7,873,013	(7,522,639)	(117,237)	14,923	672,268
Pension reserve	(97,000)	190,000	(195,000)	-	102,000	-
Total unrestricted funds	6,761,609	8,063,013	(7,717,639)	217,085	116,923	7,440,991
RESTRICTED FUNDS						
WLC Extension fund	148,030	-	-	(148,030)	-	-
Refurbishment project fund	52,546	-	-	(52,546)	-	-
Disabled changing room fund	8,534	-	-	(8,534)	-	-
Community Against Cancer Fund	-	-	-	-	-	-
						-
Flourish Grant	-	60,106	(60,106)	-	-	-
Active Play Grant	5,975	-	-	(5,975)	-	-
Beating Heart Grant	-	-	-	-	-	-
Beat It Grant	2,000	16,094	(16,094)	(2,000)	-	-
Energise Me Grant	-	-	-	-	-	-
Total restricted funds	217,085	76,200	(76,200)	(217,085)	-	-
Total of funds	6,978,694	8,139,213	(7,793,839)	-	116,923	7,440,991

Comparatives for movement in funds

	Brought forward 1 April 23 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (losses) £	Carried forward 31 March 24 £
DESIGNATED FUNDS						
Operational reserve	-	-	-	-	-	-
Improvement reserve	673,469	-	-	(257,291)	-	416,178
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	150,000	-	-	(53,000)	-	97,000
Fixed asset reserve	4,288,093	-	-	197,728	-	4,485,821
Fixed asset reserve Guildford	-	-	-	835,401	-	835,401
Guildford project reserve	888,300	-	-	(888,300)	-	-
WLC extension reserve	-	-	-	400,000	-	400,000
	6,199,862	-	-	234,538	-	6,434,400
GENERAL FUNDS						
General reserve	425,880	6,844,062	(6,692,868)	(149,533)	(3,332)	424,209
Pension reserve	(143,000)	177,000	(185,000)	-	54,000	(97,000)
Total unrestricted funds	6,482,742	7,021,062	(6,877,868)	85,005	50,668	6,761,609
RESTRICTED FUNDS						
WLC Extension fund	156,739	-	(8,709)	-	-	148,030
GP Referral training grant	-	-	-	-	-	-
Refurbishment project fund	139,511	-	(3,672)	(83,293)	-	52,546
Disabled changing room fund	11,113	-	(867)	(1,712)	-	8,534
Community Against Cancer Fund	975	-	(975)	-	-	-
Flourish Grant	-	29,114	(29,114)	-	-	-
Active Play Grant	-	15,000	(9,025)	-	-	5,975
Beating Heart Grant	-	1,000	(1,000)	-	-	-
Beat It Grant	-	2,000	-	-	-	2,000
Energise Me Grant	-	1,965	(1,965)	-	-	-
Total restricted funds	308,338	49,079	(55,327)	(85,005)	-	217,085
Total of funds	6,791,080	7,070,141	(6,933,195)	-	50,668	6,978,694

The designated funds consist of:
Operational reserve:
Funds set aside to meet any shortfall between the anticipated income and budgeted outgoings and any unforeseen expenditure. It will also be available to assist in the funding of new activities not foreseen in budgets.

Improvement reserve:
Funds set aside for future projects, these amounts have been funded from cash surpluses generated in the year. Some projects still require additional funds.

Life cycle programme reserve:
A programme run by the Charity for the continuing refurbishment of the leisure centres.

LGPS deficit reserve:
Funds set aside to pay off LGPS deficit.

Fixed assets reserve:
The value of unrestricted funds represented by tangible fixed assets owned and used by the Charity for leisure activities.

The restricted funds consist of:
WLC extension fund:
The S106 contribution passed on by Havant Borough Council to partly fund the building of the Waterlooville extension.

Refurbishment projects fund:
This fund relates to remedial works and improvements to buildings and facilities funded by a capital grant in previous years.

Disabled changing room fund:
This fund relates to conversion works to create a disabled changing room facility funded by a capital grant in previous years.

Other small grants - represents income received in the year to fund small projects. This funding was spent on the relevant activities in the year.

Transfers
The amounts transferred from restricted to unrestricted funds are due to the restricted being satisfied on those particular capital items.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	5,497,584	-	5,497,584
Fixed asset investments	-	153,777	-	153,777
Current assets	1,671,814	1,117,361	-	2,789,175
Creditors due within one year	(788,487)	-	-	(788,487)
Creditors due after one year	(211,058)	-	-	(211,058)
Provisions for liabilities and charges	-	-	-	-
	672,269	6,768,722	-	7,440,991

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

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Net income/(expenditure)	360,297	133,614	359,474	132,776
Adjustments for:				
Depreciation charges	526,074	450,871	503,143	437,489
Losses/(gains) on investments	(14,923)	3,332	(14,923)	3,332
(Profit)/loss on disposal of fixed assets	24,700	2,326	24,700	(12,752)
Interest received	(79,247)	(50,862)	(79,247)	(50,862)
(Increase)/Decrease in stock	(12,538)	(1,100)	-	-
(Increase)/Decrease in debtors	(209,453)	488	(206,070)	(1,024)
Increase/(Decrease) in creditors	65,704	149,048	46,895	144,561
FRS17 pension adjustment	5,000	8,000	5,000	8,000
	665,614	695,717	638,972	661,520

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash at bank and in hand	1,396,243	1,956,880	1,372,742	1,933,373
	1,396,243	1,956,880	1,372,742	1,933,373

29. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,000 (2024: £5,000). Contributions totalling £Nil (2024: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a final salary defined benefit pension scheme.

The company participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. Three members of staff are members of the scheme, which is closed to new members. The Trustees are monitoring the potential impact of the final employee leaving the scheme and the liability crystallising.

The most recent valuation was carried out as at 31 March 2025, and has been updated by independent actuaries to the Hampshire County Council Pension Fund (the Fund) to take account of the requirements of FRS102 in order to assess the liabilities of the Fund. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The assets and liabilities of the scheme at 31 March are:

	2025 £	2024 £
Scheme assets at fair value		
Equities	2,074,280	2,032,400
Government bonds	1,436,040	824,800
Cash	79,780	25,800
Property	398,900	288,300
Other	-	877,700
Fair value of scheme assets	3,989,000	4,049,000
Present value of scheme liabilities	(3,593,000)	(4,146,000)
	396,000	(97,000)

Per the SORP, the plan surplus is a defined benefit plan asset and it is recognised to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore, the asset will not be recognised as the pension fund has confirmed that there will be no refunds or reduced contributions.

The pension plan has not invested in any of the Charity's own properties or other assets used by the group.

The amounts recognised in the Statement of Financial Activities are as follows except for where an pension asset is created which has been restricted:

	2025	2024
	£	£
Current service cost	(2,000)	(6,000)
Net interest on defined benefit liability	(5,000)	(7,000)
Total recognised in net income	(7,000)	(13,000)
Asset gains/(losses) arising during the period	(72,000)	162,000
Liability gains/(losses) arising during the period	570,000	(108,000)
Total recognised in other comprehensive income	498,000	54,000

	2025	2024
Main assumptions:	%	%
Discount rate	5.8	4.8
CPI Inflation assumption	2.8	2.8
Pension increases	2.8	2.8
Pension accounts revaluation rate	2.8	2.8
Salary increases	3.8	3.8
Post-retirement mortality:		
Current pensioners at 65 - male	22	22.1
Future pensioners at 65 - male	22.5	22.6
Current pensioners at 65 - female	24.7	24.7
Future pensioners at 65 - female	25.6	25.7

The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2040.

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

	2025	2024
	£	£
Opening defined benefit obligation	4,146,000	4,017,000
Current service cost	2,000	6,000
Interest expense on defined benefit obligation	195,000	185,000
Contributions by scheme participants	-	2,000
Benefits paid	(180,000)	(172,000)
Actuarial losses/(gains)	(570,000)	108,000
Closing defined benefit obligation	3,593,000	4,146,000

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

	2025	2024
	£	£
Opening fair value of scheme assets	4,049,000	3,874,000
Remeasurement (losses)/gains	(72,000)	162,000
Interest income on assets	190,000	178,000
Contributions by employers	2,000	5,000
Benefits paid	-	(172,000)
Contributions by scheme participants	(180,000)	2,000
Closing defined benefit obligation	3,989,000	4,049,000

30. OPERATING LEASE COMMITMENTS

Group

At the balance sheet date, the group had annual commitments for equipment under non-cancellable operating leases as follows:

	2025	2024
	£	£
Less than 1 year	168,850	96,257
Between 1 and 2 years	144,880	96,192
Between 2 and five years	183,887	72,222
More than 5 years	-	-
	497,617	264,671

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

England & Wales - Charity number 1060896

Accounts

REGISTERED COMPANY NUMBER: 03319069
REGISTERED CHARITY NUMBER: 1060896

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 FOR BOROUGH OF HAVANT SPORT AND LEISURE TRUST

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONTENTS TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 9
Consolidated Statement of Financial Activities	10
Consolidated Balance Sheet	11
Consolidated Statement of Cashflows	12
Notes to the Financial Statements	13 to 32

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The Trustee Board of the Borough of Havant Sport and Leisure Trust ('the Charity') are pleased to present their annual report and consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2023. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our purposes and activities

The purposes of the Charity are:

- to provide fully inclusive access at affordable prices to sport and leisure facilities; and
- to help improve the health and well-being of the community

The principal object of the Charity is the provision of services and facilities for recreation, physical and other education, or leisure time occupation in the interests of social welfare. The Charity's vision is 'Inspiring healthier, happier communities,' and Horizon is committed to providing best-value leisure centres that are accessible to all. The relationship with Havant Borough Council is integral to Horizon's future strategic direction. Horizon are supporting the council in developing an Active Wellbeing Strategy for the Borough, which will clearly illustrate how both partners will encourage active and healthy lifestyles for local people.

In terms of the trading subsidiary, the amin undertaking is the provision of food, beverages, and retail in the leisure centres operated by the Charity, with profits gift-aided into the Charity annually.

The strategies employed to achieve The Charity's aims and objectives are to:

- Provide high quality leisure and sport facilities.
- Develop an Active Wellbeing Service which is accessible to all sections of the local community.
- Offer a varied programme of activities (sporting and non-sporting) which encourages use of the Centres by all sections of the community;
- Provide activities at prices affordable to members of the community.
- Provide a wide range of activities to encourage all sections of the community to participate in health and wellbeing activities; and
- Continuously review the range of activities to ensure that these meet the evolving needs of the local community.

Horizon will continue to evolve, and the future of provision will change to be more aligned with other health and wellbeing providers. Horizon will begin to consider co-located services and the introduction of the integrated health and wellbeing systems to reduce health inequalities and maximise prevention of specific health conditions. Over the last year, strong partnerships have been formed with the NHS and Social Prescribers, Hampshire Mind and Havant Borough Council's Community Team to enhance targeted community programmes.

Community Health and Wellbeing

The Charity has had a particularly successful year in its Community Health and Wellbeing Programme, with over 600 people enrolled in our Health Referral scheme, illustrating increased engagement and commitment from local residents.

In partnership with Hampshire County Council, Horizon launched a Tier 2 Weight Management programme targeting women. This funded programme has been hugely successful, entering its 15th cohort, and has seen positive results in terms of weight loss, improved confidence, and motivation to lead more active lifestyles. With additional funding, this programme demonstrates Horizon's ability to deliver effective health intervention projects for local people.

Horizon has a wider Social Value of over £7 million, which reflects its contribution across four key areas: health, education, wellbeing, and crime reduction. Horizon also delivers numerous community-based classes, bringing physical activity out into the Borough. Targeted programmes, such as stroke rehabilitation, Escape Pain, and falls prevention, provide invaluable support for people with greater health needs, helping them to maintain and improve their quality of life.

The Wellbeing Hub

One of Horizon's standout achievements has been the establishment of the Wellbeing Hub, a pioneering project and the first of its kind in the UK. Launched in May 2023 at the Meridian Shopping Centre in Havant, this Hub represents a significant step forward in taking health and wellbeing services directly into the heart of the community.

The Wellbeing Hub offers a wide range of health checks including blood pressure, cholesterol, and glucose testing, reaching nearly 2,000 people since its inception. It also provides visitors with an 8-week supported exercise programme, ensuring long-term adherence to healthier lifestyle choices. This initiative is designed to better connect with residents, encouraging them to take their first steps towards a more active lifestyle.

The Hub has gained national recognition and is a finalist in the UK Active National Awards for Community Project of the Year, further demonstrating its impact and success in engaging the local community in health and wellbeing activities.

Horizon Guildford

Horizon Guildford celebrated its one-year anniversary in June 2024 and has quickly become a vital part of the local community. This facility, which opened following a £1 million investment, offers high-quality health, fitness, swimming, and spa services. Over 2,000 members now benefit from the services at this location, contributing to Horizon's broader charitable objectives and expanding its reach beyond Havant.

Guildford's success has reinforced Horizon's capability to deliver significant social impact in new areas, providing innovative and accessible health and wellbeing services.

Swim School

Horizon's Swim School continues to be one of the Charity's most successful programmes. With over 3,200 people now learning to swim across the two centres, the programme has grown by 37% year on year.

In 2024, Horizon is planning to roll out Swim England's national syllabus for teaching swimming. This transition will further enhance the quality of the programme, ensuring that participants are taught to the highest standards, which will support the continued growth and success of the Swim School. Strategic planning of pool space, increased occupancy, and effective swimmer progression have all contributed to this impressive growth.

Future Developments

Over the next 12-18 months, Horizon will place a significant emphasis on the redevelopment of Waterlooville Leisure Centre. The planned £3 million investment will transform the facility, modernizing health and fitness areas, expanding hospitality and changing rooms, and enhancing outdoor spaces. This redevelopment will also introduce Padel courts, a new and rapidly growing sport, and innovative family fitness concepts.

Additionally, Horizon will explore opportunities to integrate co-located services with health partners, allowing the delivery of health consultations and exercise programmes in one location. These developments will ensure Waterlooville Leisure Centre remains a leader in local health and wellbeing provision, offering a comprehensive and innovative range of services to the community.

Trading subsidiary

The Trading Company has performed well with in annual income of £335,039. Against the last year, income has increased by £83,649 (33%). More emphasis has been placed on the commerciality of the food and beverage offerings across both Havant and Waterlooville Leisure Centres. The aim has been to introduce new menus and also to attract a greater diversity in relation to special events. With a £20,000 refurbishment of the Havant Leisure Centre Bar, there has been an opportunity to drive income in this area and welcome a range of social and business events.

Financial Performance and attendances

The financial performance for the year ending 31st March 2024 has been positive, with group net surplus totalling £133,614 while income was £7,070,141, a 29% increase from the previous year, which is encouraging. The number of visits to Horizon facilities in 2022/23 was 941,957 compared to 1,092,160 in 2023/24. This represents a 16% increase year on year

Horizon's Five-Year Strategy

Horizon is in the fourth year of its five-year strategic plan, which sets out the organisation's direction for the period 2021-2026. The strategic plan underpins the transformation programme, which has mapped out clear objectives to take the organisation from 'Good' to 'Great'. The key strategic themes are:

- Our Future
- Our people
- Our customers
- Our impact
- Our Finances

The transformation programme is driven from the strategy and ensures that the Leadership deliver clear and tangible results, and as such, significant progress has been made. In order to succeed, Horizon will need to work collaboratively with stakeholders and partners across the Borough. In terms of partnership, a strong and sustainable relationship with Havant Borough Council has been developed.

Business Expansion and Growth

Horizon Guildford, which opened in June 2023, has seen tremendous success in its first year of operation, significantly increasing Horizon's reach and brand profile in the South of the UK. The new high-quality health, fitness, swimming, and spa facilities have already become an integral part of the local community in Guildford.

Capital Enhancements

Horizon remains committed to enhancing its existing facilities to provide the best possible services for its members. During the 2023/24 financial year, Horizon invested:

- **£40,000** in Havant Leisure Centre to enhance the group cycling studio. This investment has upgraded upgraded the equipment and environment, creating a more immersive and motivating experience for users.
- **£120,000** in new cardiovascular gym equipment at Waterlooville Leisure Centre. This significant upgrade to the gym facilities enhances the overall fitness offering, ensuring that members have access to the latest equipment to support their health and fitness goals.
- **£20,000** to upgrade the bar area at Havant Leisure Centre

Conclusion

Overall, Horizon has seen remarkable growth and success throughout 2023/24, with new initiatives, enhanced facilities, and expanding community impact. As Horizon looks to the future, it remains ambitious, committed to its charitable objectives, and focused on delivering lasting social value for local communities. Through strategic partnerships, investments, and a clear vision for growth, Horizon is set to continue its journey from good to great, empowering healthier, happier communities along the way.

Reference and administrative details

Charity Number 1060896
Company Number 03319069
Registered Office Havant Leisure Centre, Civic Centre Road, Havant, Hampshire, PO92AY

Our advisers

Auditors	Morris Crocker Limited Station House, North Street, Havant, Hampshire, PO9 1QU National Westminster Bank pie
Bankers	23 West Street, Havant, Hampshire, PO9 1EU Blake Morgan
Solictors	New Kings Court, Tailgate, Chandler's Ford, Hampshire, SO53 3LG Aston Lark Ltd
Insurers	Malling House, West Malling, Kent, ME19 6QL

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Directors and trustees

The directors of the charitable company (the Charity) are its Trustees for the purpose of charity law.
The Trustees and officers serving during the year and since the year-end were as follows:

Key management personnel Borough of Havant Sport and Leisure Trust:

P Mellor
J Crouch
P Jones
P Lewis
C Scott - Resigned 26 October 2023
S Gohl
R Hedley - Resigned 30 May 2024
G Foster - Appointed 28 September 2023
J Bowskill - Appointed 1 April 2024
A Rees - Appointed 25 April 2024

Secretary

P Lewis

Senior Managers

The Leadership Team consists of the following posts:
Chief Executive
Head of Finance
Commerical Director
Head of People and Culture

Manager Structure, Governance and Management

Governing Document

The Borough of Havant Sport and Leisure Trust is a company limited by guarantee, registered with Companies House, set up on 17 February 1997. Its activities are governed by its Articles of Association, which were last amended on 28 April 2022. The Charity is registered with the Charity Commission. The members of the company are the trustees/directors. Each member agrees to contribute £5 in the event of the Charity being wound up.

The Charity has a subsidiary trading company, which is a private limited company. The subsidiary is wholly owned by the charity.

Appointment of trustees

Trustees are appointed on the agreement of the Board following consideration of a CV and formal application. In most cases, a recommendation is made by the Board Chair and the Chief Executive to the Board on suitability following an informal meeting with the applicant, which can be attended by any trustee.

Trustee induction and training

An induction pack is provided to all new directors, which contains relevant information in relation to their roles and responsibilities as charitable trustees as well as information relating to the business of the charity. The induction includes a tour of the facilities operated by the Charity and an introduction to key members of staff.

Formal trustee training is planned annually although trustees can seek assistance from senior management at any time. Topics for training vary from year to year and are democratically agreed. External speakers may be employed where necessary to provide expertise in specialist areas.

Attendance of trustees at annual charity presentations are actively encouraged in order to keep up to date on sector developments.

Organisations

The governing body of the Charity is the Trustee Board, which currently comprises of eight trustees, and meets on a monthly basis although additional meetings may be called when required.

A Chief Executive is appointed by the trustees to implement strategy and manage the day-to- day operations of the Charity.

By order of the Board of Trustees

P Jones
Chairman
Date: 26 - 9 - 24

REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Borough of Havant Sport and Leisure Trust (the 'charitable company') and its subsidiaries for the year ended 31 March 2024 on pages 10 to 32, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and Cashflow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 MARCH 2024

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning ticket sales and grant income and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 MARCH 2024

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Use of our report

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

Stuart Mackie

Stuart Mackie (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU
Date: 30 September 2024

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

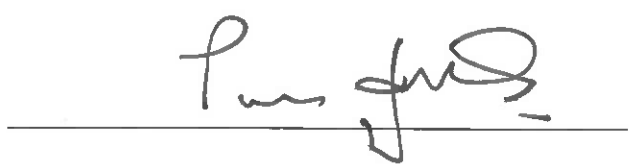
	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME FROM					
Charitable activities:					
Operation of leisure centres	3	5,997,661	49,079	6,046,740	4,649,685
Income from donations	4	637,500	-	637,500	564,000
Other trading activities:					
Commercial trading operations	5	335,039	-	335,039	251,520
Investment income	6	50,862	-	50,862	13,750
Total		7,021,062	49,079	7,070,141	5,478,955
EXPENDITURE ON					
Cost of raising funds:					
Commercial trading operations		306,010	-	306,010	237,177
Charitable activities:					
Operation of leisure centres	7	5,934,358	55,327	5,989,685	4,792,387
Donated facilities	7	637,500	-	637,500	564,000
Total	25	6,877,868	55,327	6,933,195	5,593,564
Net gains/(losses) on investments		(3,332)		(3,332)	9,953
NET INCOME/(EXPENDITURE)		139,862	(6,248)	133,614	(104,655)
Transfers between funds		85,005	(85,005)	-	-
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	29	54,000	-	54,000	1,016,000
NET MOVEMENT IN FUNDS		278,867	(91,253)	187,614	911,345
RECONCILIATION OF FUNDS					
Total funds brought forward		6,482,742	308,338	6,791,080	5,879,735
TOTAL FUNDS CARRIED FORWARD		6,761,609	217,085	6,978,694	6,791,080

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
FIXED ASSETS					
Tangible assets	18	5,530,332	4,576,854	5,489,364	4,542,377
Investments	19	138,854	620,282	138,856	620,284
		5,669,186	5,197,136	5,628,220	5,162,661
CURRENT ASSETS					
Stocks	20	8,511	7,411	-	-
Current asset investments	21	258,721	1,515,798	258,721	1,515,798
Debtors	22	196,911	197,399	193,290	192,266
Cash at bank and in hand	28	1,956,880	567,835	1,933,373	551,320
		2,421,023	2,288,443	2,385,384	2,259,384
CREDITORS					
Amounts falling due within one year	23	(713,983)	(533,705)	(699,639)	(523,848)
NET CURRENT ASSETS		1,707,040	1,754,738	1,685,745	1,735,536
TOTAL ASSETS LESS CURRENT LIABILITIES		7,376,226	6,951,874	7,313,965	6,898,197
CREDITORS					
Amounts falling due in more than one year	24	(300,532)	(17,794)	(295,178)	(5,108)
NET ASSETS EXCLUDING PENSION LIABILITY		7,075,694	6,934,080	7,018,787	6,893,089
Defined benefit pension scheme liability	29	(97,000)	(143,000)	(97,000)	(143,000)
NET ASSETS		6,978,694	6,791,080	6,921,787	6,750,089
FUNDS					
Unrestricted funds:	25				
Unrestricted funds excluding pension liability		6,858,609	6,625,742	6,801,702	6,584,751
Pension reserve		(97,000)	(143,000)	(97,000)	(143,000)
		6,761,609	6,482,742	6,704,702	6,441,751
Restricted funds	25	217,085	308,338	217,085	308,338
TOTAL FUNDS		6,978,694	6,791,080	6,921,787	6,750,089

The financial statements were approved by the Board of Trustees on 26-9-24 and signed on their behalf by:



BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash flows from operating activities					
Cash generated from operations	27	695,717	384,852	661,520	385,832
Cash provided by (used in) operating activities		695,717	384,852	661,520	385,832
Cash flows from investing activities					
Interest income		50,862	13,750	50,862	13,750
Proceeds on sale of investments		1,735,173	229,896	1,735,173	229,896
Proceeds on sale of fixed assets		-	-	-	-
Purchase of tangible fixed assets		(1,406,675)	(525,287)	(1,386,802)	(487,500)
Cash provided by (used in) investing activities		379,360	(281,641)	399,233	(243,854)
Cash flows from financing activities					
Cash inflows from new borrowing		416,186	21,996	416,186	-
Repayment of borrowing		(102,218)	(44,654)	(94,886)	(42,676)
Cash provided by (used in) financing activities		313,968	(22,658)	321,300	(42,676)
Change in cash and cash equivalents in the reporting period		1,389,045	80,553	1,382,053	99,302
Cash and cash equivalents at the beginning of the reporting period		567,835	487,282	551,320	452,018
Total cash at the end of the year	28	1,956,880	567,835	1,933,373	551,320

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preperation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Borough of Havant Sport and Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of the accounts on a going concern basis

The Charity reported a cash outflow of £1,075k (2023: £103k) from operating activities and investing activities.

At the year end the group had free reserves totalling (£470k) (2023: £283k). The designation of funds for future projects and potential shortfalls is considered to ensure the future of the charity. The trustees have reviewed projected income and expenditure for the next twelve months and on that basis the Charity is a going concern.

1.3 Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.4 Income

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

Income represents point of sale receipts and amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

Income from local authority and other grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is accounted for in the period in which the Charity is entitled to receipt.

Income received in advance of a fitness class, swimming lesson or parties is deferred until the criteria for income recognition are met (see note 23).

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated facilities reflect the rateable value of the two leisure centres provided by the local authority for no charge and a 20% discretionary relief provided by the local authority on the National Non Domestic Rates bill.

1.6 Interest receivable

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

1.7 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 Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific 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 company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

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

1.8 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds comprise the costs of commercial trading including the cafes and goods for resale and their associated support costs.

Expenditure on charitable activities includes costs associated with the running of the leisure centres and include both the direct costs and support costs relating to these activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas, staff costs by time spent and other costs by their usage.

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

1.9 Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include support office costs, finance, personnel, payroll, and governance costs which support the Charity's leisure programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities where applicable. The bases on which support costs have been allocated are set out in note 9.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Substantial assets are reviewed and broken down into component parts where the useful economic life of a component is significantly different to the rest of the asset.

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

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:

Leasehold property consisting of:
- Land and buildings: Over the period of the lease
- Other components: Over 10 - 15 years straight line

Plant & machinery: 10% - 33% straight line
Income generating equipment: 20% - 50% straight line
Operational equipment: 20% - 33% straight line
Assets under construction: No depreciation charge

1.12 Investments

(i) Fixed asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(ii) Investments in subsidiaries are valued at cost less provision for impairment.

(iii) Current asset investments include short term highly liquid investments that require more than three months but less than one year notice to withdraw cash.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount due.

1.15 Creditors

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.

1.16 Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. A corresponding liability is recognised for the fair value of the leased asset in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Financial Activities so as to achieve a constant rate of interest on the remaining balance of the liability.

1.17 Pensions

The company operates a defined benefits pension scheme which requires contributions to be made to a separately administered fund. The scheme is closed to new members. A defined contribution pension scheme is available to all employees.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income or expenditure as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Allowance has been made for full indexation on all Guaranteed Minimum Pensions (GMP) for members whose State Pension Age is on or after 6 April 2016. A McCloud underpin liability has been calculated with the assumption that the underpin applies to
1) all members in service on 1 April 2012
2) members' benefits on reaching retirement (normal or ill health), or on prior withdrawal, and
3) spouse's benefits on death after retirement. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

1.18 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating and finance lease commitments
The Charity has entered into leases as a lessee for use of plant and equipment. The classification of such leases as operating or finance lease requires the Charity to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. One lease has been recognised as a finance lease.

Pensions
The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Management have placed reliance on the figures prepared by the work of an expert. Further details are given in note 29.

Fixed Assets
The Charity purchases fixed assets and writes the cost less estimated residual value down over the expected useful life of each asset. Choosing the useful economic life of an asset is a judgement by management that impacts on the financial statements over a number of years. A small variation in the life could have a significant affect on the financial statements. The useful life of the asset is determined in the year of purchase and is based on experience. This is reviewed annually to ensure it is still appropriate.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 5. In the event of the company being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £
Grants from institutions	5,053	49,079	-	1,241
Operation of leisure centres	5,992,608		4,648,444	-
	5,997,661	49,079	4,648,444	1,241

4. INCOME FROM DONATIONS

	2024 £	2023 £
Donated facilities	637,500	564,000

5. INCOME FROM OTHER TRADING ACTIVITIES

The wholly owned trading subsidiary the Borough of Havant Sport and Leisure Trading Limited is incorporated in the United Kingdom (company number 3406679) and pays all of its profits to the Charity under the gift aid scheme. The subsidiary operates café and bar facilities and sells leisure goods. All commercial trading operations are carried out at the Charity's leisure centres. A summary of the trading results is shown below.

	2024 £	2023 £
Turnover	334,573	251,390
Cost of sales and administration costs	(306,010)	(237,177)
Management charge expense	(13,110)	(12,000)
Other operating income	0	0
Interest receivable	466	130
Net profit	15,919	2,344
Amount gift aided to the charity	0	(4,573)
Retained in subsidiary	15,919	(2,229)
The assets and liabilities of the subsidiary were:		
Non-current assets	40,968	34,478
Current assets	61,648	48,796
Current liabilities	(40,353)	(29,598)
Non -current liabilities	(5,354)	(12,686)
Total net assets	56,909	40,990

6. INVESTMENT INCOME

	2024 £	2023 £
Bank interest	50,862	13,750

7. DIRECT COSTS

	Provision of sporting and leisure facilities to the public	Total funds	Total funds
	2024	2024	2023
	£	£	£
Operational staff	3,354,360	3,354,360	2,083,983
Other finance expense (Note 17)	8,000	8,000	40,000
Equipment and materials	107,545	107,545	68,990
Subcontractors	-	-	130,446
Premises and equipment maintenance	605,230	605,230	358,323
Repair and replacement fixtures	117,156	117,156	75,472
Energy and utility	612,002	612,002	368,385
Third party support and insurance	166,683	166,683	109,401
Marketing, unrecoverable VAT and other	314,852	314,852	468,064
(Gains)/losses on disposal of fixed assets	(12,752)	(12,752)	5,286
Depreciation	426,231	426,231	356,268
Governance costs	98,151	98,151	48,403
Support costs	192,227	192,227	679,366
	5,989,685	5,989,685	4,792,387
Donated facilities	637,500	637,500	564,000
	6,627,185	6,627,185	5,356,387

Expenditure on charitable activities was £5,989,685 (2023: £4,792,387) of which £5,934,358 was unrestricted (2023: £4,788,874) and £55,327 was restricted (2023: £13,513).

8. SUMMARY OF ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This shows the cost of the main charitable activity and the sources of income that directly support those activities.

	Provision of sporting and leisure facilities to the public	
	2024	2023
	£	£
Costs	(5,989,685)	(4,792,387)
Income from sport and leisure facilities	6,046,740	4,649,685
Net income to fund future costs and projects	57,055	(142,702)

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs these, along with the remaining support costs, are allocated to the cost of the Charity's key charitable activity. The table below shows the basis of apportionment and the analysis of support and governance costs.

	Basis of apportionment	General Support 2024 £	Governance function 2024 £	Total 2024 £
Audit, legal and professional (Note 11)	Governance	9,391	97,757	107,148
Trustee expenses and indemnity insurance	Governance	-	394	394
Corporate office staff costs	Time allocated	-	-	-
IT and payroll running costs	As invoiced	182,836	-	182,836
Council pension settlement	Support	-	-	-
		192,227	98,151	290,378

10. TURNOVER

All turnover arose within the United Kingdom.

11. NET INCOMING RESOURCES

This is stated after charging:	2024 £	2023 £
Depreciation of tangible fixed assets:		
Owned by the charitable group	378,129	295,888
Assets held under finance lease	72,742	71,216
(Surplus)/Loss on disposal of fixed assets	- 12,752	5,286
Auditor's remuneration:		
Audit fees	14,858	11,150
Other advice	-	3,000
Auditor's remuneration (previous auditors):		
Audit fees	-	(646)
Other advice	-	-
Operating leases - equipment	2,285	9,806

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2024	2023
	£	£
Staff costs were as follows:		
Wages and salaries	3,204,606	2,458,767
Social security costs	204,042	161,787
Other pension costs (Note 29)	44,652	49,913
	3,453,300	2,670,467

	2024	2023
The number of higher paid employees was:	No.	No.
In the band		
£70,001 - £80,000	1	
£90,001 - £100,000		1
£100,001 - £110,000	1	

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

During the year, no trustees received any remuneration (2023: £NIL).

During the year, no trustees received any benefits in kind (2023: £NIL).

One trustee received reimbursement of expenses amounting to £235 in the current year, (2023: two trustees received £67).

The key management personnel of the parent charity comprise senior management team consisting of the Chief Executive, Head of People and Culture, Head of Finance and Commercial Director. The total employee benefits of the key management personnel of the Charity were £322,347 (2023: £343,912).

The key management personnel of the group comprise those of the Charity and the directors of its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited.

13. STAFF NUMBERS

The average monthly head count including casual and part-time staff during the year was as follows

	2024	2023
	No.	No.
Management	4	6
Other	195	171
	199	177

14. RELATED PARTIES

In 2024 the following transactions took place between the Charity and its wholly owned subsidiary Borough of Havant Sport and Leisure Trading Limited:

The provision of kitchen facilities at the Waterlooville café and kitchen equipment by the Charity to Borough of Havant Sport and Leisure Trading Limited of £1,084 (2023: £1,084).

The provision of management and administrative services by the Charity to Borough of Havant Sport and Leisure Trading Limited totalling £12,000 (2023: £12,000).

The transfer under gift aid of the trading profits of Borough of Havant Sport and Leisure Trading Limited to the Charity of £Nil (2023: £4,573).

At the balance sheet date the Charity owed Borough of Havant Sport and Leisure Trading Limited £26,009 (2023: £19,742). The majority of this balance represents receipts received by the Charity on behalf of Borough of Havant Sport and Leisure Trading Limited which were not paid to the Trading Company as at 31 March 2024.

15. GOVERNMENT GRANTS

Income from Government grants comprises project related grants made by Local Authorities to fund specific sport, leisure and health projects run by the Charity.

Below are the Government Grants received in the current or previous financial year.

	2024 £	2023 £
Government grants	78,090	19,237

16. CORPORATION TAX

As a charity, the Borough of Havant Sport and Leisure Trust benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable to corporation tax on income or gains falling within those exemptions.

17. OTHER FINANCE EXPENSES

	2024 £	2023 £
Expected return on pension scheme assets	177,000	111,000
Interest on pension scheme liabilities	(185,000)	(141,000)
	(8,000)	(30,000)

18. TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	L/Term Leashold Property £	Plant and Machinery £	Income generating equipment £	Operational Equipment £	Total £
COST						
At 1 April 2023	40,005	7,271,679	40,778	1,361,289	681,411	9,395,162
Additions	20,334	762,125	1,250	483,379	139,587	1,406,675
Disposals	-	-	-	-	(2,326)	(2,326)
At 31 March 2024	60,339	8,033,804	42,028	1,844,668	818,672	10,799,511
DEPRECIATION						
At 1 April 2023	-	2,964,482	26,318	1,287,283	540,225	4,818,308
Charge for year	-	282,707	3,667	101,396	63,101	450,871
Eliminated on disposals	-	-	-	-	-	-
At 31 March 2024	-	3,247,189	29,985	1,388,679	603,326	5,269,179
NET BOOK VALUE						
At 31 March 2024	60,339	4,786,615	12,043	455,989	215,346	5,530,332
At 31 March 2023	40,005	4,307,197	14,460	74,006	141,186	4,576,854

TANGIBLE FIXED ASSETS - CHARITY

	Assets under construction £	L/Term Leashold Property £	Plant and Machinery £	Income generating equipment £	Operational Equipment £	Total £
COST						
At 1 April 2023	40,005	7,271,679	-	1,331,823	681,411	9,324,918
Additions	20,334	762,125	-	470,820	133,523	1,386,802
Disposals	-	-	-	-	(2,326)	(2,326)
At 31 March 2024	60,339	8,033,804	-	1,802,643	812,608	10,709,394
DEPRECIATION						
At 1 April 2023	-	2,964,482	-	1,277,834	540,225	4,782,541
Charge for year	-	282,707	-	91,681	63,101	437,489
Eliminated on disposals	-	-	-	-	-	-
At 31 March 2024	-	3,247,189	-	1,369,515	603,326	5,220,030
NET BOOK VALUE						
At 31 March 2024	60,339	4,786,615	-	433,128	209,282	5,489,364
At 31 March 2023	40,005	4,307,197	-	53,989	141,186	4,542,377

19. FIXED ASSET INVESTMENTS

Group

	Listed Securities £
Market value	
At 1 April 2023	620,282
Disposals	(478,096)
Revaluations	(3,332)
At 31 March 2024	138,854
Historical cost	70,000

The listed securities are all held in unit trusts limited on the UK Stock exchange

Charity

	Listed Securities £	Shares in group undertakings £	Total £
Market Value			
At 1 April 2023	620,282	2	620,284
Disposals	(478,096)	-	(478,096)
Revaluations	(3,332)	-	(3,332)
At 31 March 2024	138,854	2	138,856
Historical cost	70,000	2	70,002

The Charity owns the whole of the issued share capital of the Borough of Havant Sport and Leisure Trading Limited, a company incorporated in England and Wales which carries on the business of running a café. The investment, which consists of 2 ordinary shares of £1 each, is shown at cost. In the opinion of the Trustees, the aggregate value of the shares in and amounts owing from the company's subsidiary is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet. The activities and results of this company are summarised in note 5.

20. STOCKS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Catering supplies	8,511	7,411	-	-

21. CURRENT ASSET INVESTMENT

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash on deposit between 3 and 12 months	258,721	1,515,798	258,721	1,515,798

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	38,991	42,066	38,279	37,274
Prepayments and accrued income	157,920	155,333	155,011	154,992
Other debtors	-	-	-	-
Amounts owed by group undertakings	-	-	-	-
	196,911	197,399	193,290	192,266

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	216,584	185,653	200,594	175,966
Social security and other taxes	70,663	61,100	57,040	49,961
Other creditors	22,252	5,079	22,252	5,079
Finance leases	80,672	49,442	73,340	42,110
Amounts owed to group undertakings	-	-	26,009	19,742
Accruals and deferred income	323,812	232,431	320,404	230,990
	713,983	533,705	699,639	523,848

DEFERRED INCOME

Deferred income comprises advance bookings of fitness classes, swimming lessons and parties that take place after the year end.

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Brought forward	105,532	59,303	105,532	59,303
Amount released to incoming resources	(105,532)	(59,303)	(105,532)	(59,303)
Amount deferred in year	203,686	105,532	203,498	105,532
Carried forward	203,686	105,532	203,498	105,532

24. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Finance leases	300,532	17,794	295,178	5,108
	300,532	17,794	295,178	5,108

25. STATEMENT OF FUNDS

	Brought forward 1 April 23 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (losses) £	Carried forward 31 March 24 £
DESIGNATED FUNDS						
Operational reserve	-	-	-	-	-	-
Improvement reserve	673,469	-	-	(257,291)	-	416,178
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	150,000	-	-	(53,000)	-	97,000
Fixed asset reserve	4,288,093	-	-	197,728	-	4,485,821
Fixed asset reserve Guildford	-	-	-	835,401	-	835,401
Guildford project reserve	888,300	-	-	(888,300)	-	-
WLC extension reserve	-	-	-	400,000	-	400,000
	6,199,862	-	-	234,538	-	6,434,400
GENERAL FUNDS						
General reserve	425,880	6,844,062	(6,692,868)	(149,533)	(3,332)	424,208
Pension reserve	(143,000)	177,000	(185,000)	-	54,000	(97,000)
Total unrestricted funds	6,482,742	7,021,062	(6,877,868)	85,005	50,668	6,761,609
RESTRICTED FUNDS						
WLC Extension fund	156,739	-	(8,709)	-	-	148,030
GP Referral training grant	-	-	-	-	-	-
Refurbishment project fund	139,511	-	(3,672)	(83,293)	-	52,546
Disabled changing room fund	11,113	-	(867)	(1,712)	-	8,534
Community Against Cancer Fund	975	-	(975)	-	-	-
Flourish Grant	-	29,114	(29,114)	-	-	-
Active Play Grant	-	15,000	(9,025)	-	-	5,975
Beating Heart Grant	-	1,000	(1,000)	-	-	-
Beat It Grant	-	2,000	-	-	-	2,000
Energise Me Grant	-	1,965	(1,965)	-	-	-
Total restricted funds	308,338	49,079	(55,327)	(85,005)	-	217,085
Total of funds	6,791,080	7,070,141	(6,933,195)	-	50,668	6,978,694

Comparatives for movement in funds

	Brought forward 1 April 22 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (losses) £	Carried forward 31 March 23 £
DESIGNATED FUNDS						
Operational reserve	-	-	-	-	-	-
Improvement reserve	1,561,769	-	-	(888,300)	-	673,469
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	80,000	-	-	70,000	-	150,000
Fixed asset reserve	4,422,330	-	-	(134,237)	-	4,288,093
Guildford project reserve	-	-	-	888,300	-	888,300
	6,264,099	-	-	(64,237)	-	6,199,862
GENERAL FUNDS						
General reserve	388,806	5,359,714	(5,422,051)	89,457	9,953	425,880
Pension reserve	(1,119,000)	118,000	(158,000)	-	1,016,000	(143,000)
Total unrestricted funds	5,533,905	5,477,714	(5,580,051)	25,220	1,025,953	6,482,742
RESTRICTED FUNDS						
WLC Extension fund	182,863	-	(8,708)	(17,416)	-	156,739
GP Referral training grant	460	-	-	(460)	-	-
Refurbishment project fund	150,527	-	(3,672)	(7,344)	-	139,511
Disabled changing room fund	11,980	-	(867)	-	-	11,113
Community Against Cancer Fund	-	1,241	(266)	-	-	975
Total restricted funds	345,830	1,241	(13,513)	(25,220)	-	308,338
Total of funds	5,879,735	5,478,955	(5,593,564)	-	1,025,953	6,791,080

The designated funds consist of:
Operational reserve:
Funds set aside to meet any shortfall between the anticipated income and budgeted outgoings and any unforeseen expenditure. It will also be available to assist in the funding of new activities not foreseen in budgets.

Improvement reserve:
Funds set aside for future projects, these amounts have been funded from cash surpluses generated in the year. Some projects still require additional funds.

Life cycle programme reserve:
A programme run by the Charity for the continuing refurbishment of the leisure centres.

LGPS deficit reserve:
Funds set aside to pay off LGPS deficit.

Fixed assets reserve:
The value of unrestricted funds represented by tangible fixed assets owned and used by the Charity for leisure activities.

The restricted funds consist of:
WLC extension fund:
The S106 contribution passed on by Havant Borough Council to partly fund the building of the Waterlooville extension. The balance represents the unamortised value of works funded by this contribution.

Refurbishment projects fund:
This fund relates to remedial works and improvements to buildings and facilities funded by a capital grant in previous years. The remaining balance represents the unamortised element of the works funded by the grant.

Disabled changing room fund:
This fund relates to conversion works to create a disabled changing room facility funded by a capital grant in previous years. The remaining balance represents the unamortised element of the capital work funded by the grant.

Other small grants - represents income received in the year to fund small projects. This funding was spent on the relevant activities in the year.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	5,530,332		5,530,332
Fixed asset investments	-	138,854	-	138,854
Current assets	1,438,723	765,214	217,085	2,421,023
Creditors due within one year	(713,983)	-	-	(713,983)
Creditors due after one year	(300,532)	-	-	(300,532)
Provisions for liabilities and charges	(97,000)	-	-	(97,000)
	327,208	6,434,400	217,085	6,978,694

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

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Net income/(expenditure)	133,614	(104,655)	132,776	(102,428)
Adjustments for:				
Depreciation charges	450,871	367,104	437,489	362,323
Losses/(gains) on investments	3,332	(9,953)	3,332	(9,953)
(Profit)/loss on disposal of fixed assets	2,326	5,130	(12,752)	5,130
Interest received	(50,862)	(13,750)	(50,862)	(13,750)
(Increase)/Decrease in stock	(1,100)	506	-	-
(Increase)/Decrease in debtors	488	(36,538)	(1,024)	(30,739)
Increase/(Decrease) in creditors	149,048	137,008	144,561	135,249
FRS17 pension adjustment	8,000	40,000	8,000	40,000
	695,717	384,852	661,520	385,832

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash at bank and in hand	1,956,880	567,835	1,933,373	551,320
	1,956,880	567,835	1,933,373	551,320

29. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,000 (2023: £8,000). Contributions totalling £Nil (2023: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a final salary defined benefit pension scheme.

The company participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. Three members of staff are members of the scheme, which is closed to new members. The Trustees are monitoring the potential impact of the final employee leaving the scheme and the liability crystallising.

The most recent valuation was carried out as at 31 March 2024, and has been updated by independent actuaries to the Hampshire County Council Pension Fund (the Fund) to take account of the requirements of FRS102 in order to assess the liabilities of the Fund. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The assets and liabilities of the scheme at 31 March are:

	2024 £	2023 £
Scheme assets at fair value		
Equities	2,032,400	2,232,000
Government bonds	824,800	639,000
Multi asset credit	-	-
Cash	25,800	43,000
Property	288,300	263,000
Other	877,700	697,000
Fair value of scheme assets	4,049,000	3,874,000
Present value of scheme liabilities	(4,146,000)	(4,017,000)
	(97,000)	(143,000)

The pension plan has not invested in any of the Charity's own properties or other assets used by the group.

The amounts recognised in the Statement of Financial Activities are as follows:

	2024 £	2023 £
Current service cost	(6,000)	(17,000)
Net interest on defined benefit liability	(7,000)	(30,000)
Total recognised in net income	(13,000)	(47,000)
Asset gains/(losses) arising during the period	162,000	(270,000)
Liability gains/(losses) arising during the period	(108,000)	1,286,000
Total recognised in other comprehensive income	54,000	1,016,000

	2024	2023
Main assumptions:	%	%
Discount rate	4.8	4.7
CPI Inflation assumption	2.8	2.7
Pension increases	2.8	2.7
Pension accounts revaluation rate	2.8	2.7
Salary increases	3.8	3.7
Post-retirement mortality:		
Current pensioners at 65 - male	22.1	23.3
Future pensioners at 65 - male	22.6	23.8
Current pensioners at 65 - female	24.7	25.7
Future pensioners at 65 - female	25.7	26.7

The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2040.

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

	2024	2023
	£	£
Opening defined benefit obligation	4,017,000	5,315,000
Current service cost	6,000	17,000
Interest expense on defined benefit obligation	185,000	141,000
Contributions by scheme participants	2,000	2,000
Benefits paid	(172,000)	(172,000)
Actuarial losses/(gains)	108,000	(1,286,000)
Closing defined benefit obligation	4,146,000	4,017,000

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

	2024	2023
	£	£
Opening fair value of scheme assets	3,874,000	4,195,000
Remeasurement (losses)/gains	162,000	(270,000)
Interest income on assets	178,000	111,000
Contributions by employers	5,000	8,000
Benefits paid	(172,000)	(172,000)
Contributions by scheme participants	2,000	2,000
Closing defined benefit obligation	4,049,000	3,874,000

30. OPERATING LEASE COMMITMENTS

Group

At the balance sheet date, the group had annual commitments for equipment under non-cancellable operating leases as follows:

	2024	2023
	£	£
Less than 1 year	96,257	96,257
Between 1 and 2 years	96,192	96,257
Between 2 and five years	72,222	168,415
More than 5 years	-	-
	264,671	360,929

Horizon

IMPACT REPORT

Horizon Leisure Centres

2023-24



What We Do

At Horizon, our mission transcends beyond the provision of fitness and leisure services. Horizon stands out as a beacon of excellence in terms of community engagement and the promotion of wellbeing. We are dedicated to fostering inclusive communities and empowering individuals to lead healthier, happier lives. Winner of the Leisure Trust of the Year at the National Fitness Awards and recipient of the Community Business of the Year at the Portsmouth Business Excellence Awards.

Our commitment is simple yet profound, to offer a welcoming, safe environment where everyone feels accepted and encouraged to become the best version of themselves. Whether seeking affordable fitness experiences, engaging in sporting activities, or opportunities for personal growth, Horizon is here to serve our community.

A deep understanding of the vital connection between physical activity and overall wellbeing drives Horizon. By inspiring active lifestyles, we can create healthier and happier communities

Our facilities and programmes are designed to be accessible to all, regardless of age, ability, or background. Our efforts aim to make a tangible difference in people's lives, enhancing their physical and mental health.

Horizon's impact extends far beyond our facilities' walls, with a total social value of over £6.5 million. We are actively shaping a brighter future for our communities through partnerships, outreach programmes, and grassroots initiatives. Join us in our journey towards building healthier, happier, and more connected societies.

Horizon has generated over

£6.5m

in social value across the group

Local and National Winners

National Fitness Awards 2023

In 2023, we were recognised at the National Fitness Awards, with Havant Leisure Centre winning Leisure Trust of the Year. The prestigious event recognises and honours the very best fitness facilities across the country.

Competing against top leisure operators in the UK to win this coveted award. Havant Leisure Centre Gym was recognised for its high quality and innovative facilities, quality customer services and the links to Horizon's Wellbeing Hub where customers can take their first steps to health. This includes a range of health checks and subsidised memberships where they can build confidence as their fitness level grows.

NATIONAL
FITNESS AWARDS
2023
WINNER

The News - Business Awards 2024

To compliment the National Fitness Award, we also won Community Business of The Year at The News Business Excellence Awards presented at Portsmouth Guildhall.

The awards have been running for over 20 years and for us to be recognised locally for community is a huge honour.

Both awards are a testament to the teams that work across the centres and reflect the hard work and commitment given to enhancing the lives of local people.

The News
BUSINESS
EXCELLENCE
AWARDS 2024
WINNER

Where We Are

Horizon operates Havant and Waterlooville Leisure Centres, Horizon Guildford, and Horizon Wellbeing Hub. These establishments serve as community hubs, offering diverse sporting, leisure, and wellbeing opportunities. Any surplus generated is reinvested into our facilities, ensuring that we maintain high standards, meet customer demands, and continuously enhance the customer experience.

Hampshire

Havant

Havant Leisure Centre,
Civic Centre Road,
Havant, Hampshire
PO9 2AY

Waterlooville

Waterlooville Leisure Centre,
Waterberry Drive,
Waterlooville, Hampshire
PO7 7UW

Wellbeing Hub

Meridian Shopping Centre,
Elm Lane,
Havant, Hampshire,
PO9 1UN

Surrey

Guildford

Epsom Rd,
Merrow,
Guildford, Surrey
GU4 7AA

CEO Overview
Mike Lyons

Reflecting on the last year, I am extremely proud of Horizon's achievements and our focus on the future. We continue to develop our programmes based on the needs of local people and recognise that everyone's health journey is different.

Horizon continues to make a positive impact in the community, and this is underpinned by the work we carry out with our partners. We recognise that through effective collaboration we can achieve more, and we will continue to build on our strong partnership with Havant Borough Council, supporting their wider plans for the health and wellbeing of the Borough.

We will continue to align ourselves with health partners tackling health inequalities and supporting the NHS in the prevention of health conditions. As a charity, this type of work is extremely important to us, connecting us with those with greater support needs.

In June 2023, in partnership with Havant Borough Council, we unveiled Horizon's Wellbeing Hub in the Meridian Shopping Centre in Havant. This new initiative has proved popular, delivering hundreds of vital health checks for the community.

Another standout achievement was the opening of Horizon Guildford. With an investment of over £1m by Horizon the centre has welcomed nearly 2,000 new customers, encouraging them to embrace a more active lifestyle and fostering a sense of belonging within the community.

In November 2023 Horizon were successful at the National Fitness Awards 2023 winning the prestigious title of Trust Gym of the Year. Waterlooville Leisure Centre also made the final, which was an excellent result and demonstrates the quality of our customer offering - a huge well done to all involved!

As the Chief Executive of Horizon, I am proud of the commitment and hard work shown by the Horizon team. Together, we will continue to push boundaries and I look forward to more achievements in the coming year.

I'm delighted to see the number of visits increasing by 15.95%, from 942,000 visits in 2022/23 to 1,092,329 in 2023/24.

This is reflective of the excellent services provided by Horizon.





Statement from the Chair of Trustees

Phil Jones

I am delighted to say a few words on behalf of the Board of Trustees in our 2023/24 Impact Report. Last year I reflected on the foundations Horizon was building and outlined our aspirations to enhance the delivery of a wide range of accessible, affordable and inclusive programmes. I hope you will agree that this Impact Report provides impressive evidence that we have met this aspiration and contributed significantly to encouraging active lifestyles and promoting good health and physical and mental well-being in the communities we serve.

As a Board, we are hugely proud of what Team Horizon has achieved in the last year. We are passionate, innovative and committed, and it is pleasing that we have been recognised nationally and regionally for what we do and how we do it!

> *As a Board, we are hugely grateful, and proud of what Team Horizon has achieved in the last year.*

Our Trustees

Phil Jones, Chair
Peter Lewis, Vice Chair
Sara Gohl
Peter Mellor
Bob Hedley
Jason Crouch
Gillian Foster
Juliet Bowskill
Adrian Rees

Horizon Health & Fitness

Gym Attendances

In 2023/2024, our gym attendance across 4 sites, including the new Guildford location and Wellbeing Hub, surged, with over 531,110 gym visits, marking a significant year-on-year growth of 43%. This success reflects our commitment to delivering exceptional fitness experiences, affordable memberships and a seamless new customer journey which has attracted new members. While equipment upgrades and new gym programmes have enhanced member engagement and retention. Q4 saw attrition drop below 3%, as Horizon eclipsed a record 13,000 members.

Our Junior Membership offer welcomed over 300 young people into our facilities. In 2024/25, we aim to expand family fitness offerings, introducing classes for children as young as 8 to exercise with their parents.

Health & Fitness Revenue

Gym Revenue increased

29%

between 2022/23 & 2023/24

Membership Growth

13%

increase in membership numbers between 2022/23 & 2023/24

Group Exercise Participation

In 2023/24 visits to group exercise classes were **126,802** compared to **90,854** in 2022/23 an **increase of 39%.**

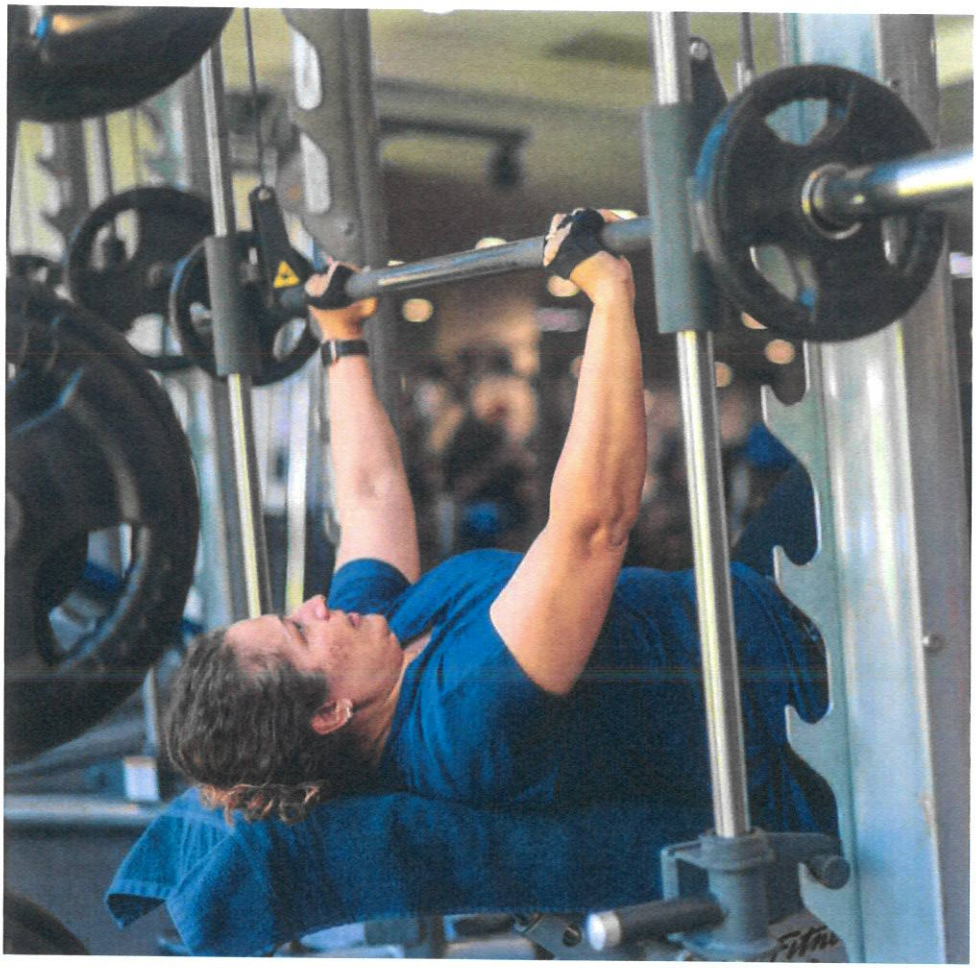
Gym Visits

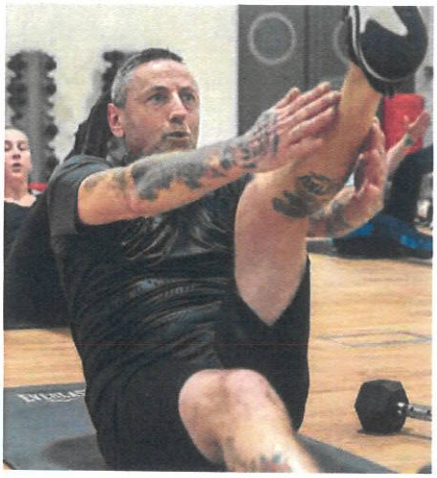
2022/23 were **371,546** compared to **531,110** in 2023/24.
This represents an impressive year on year increase of **159,564** visits, **43% growth**.

Group Exercise

Our group exercise programme greatly enhances our overall health and fitness proposition. Research highlights its role in boosting motivation and achieving health goals. It fosters social connections, enhancing overall wellbeing and community spirit. By analysing usage and feedback data, we expanded our programme, resulting in a significant increase in studio occupancy and participation.

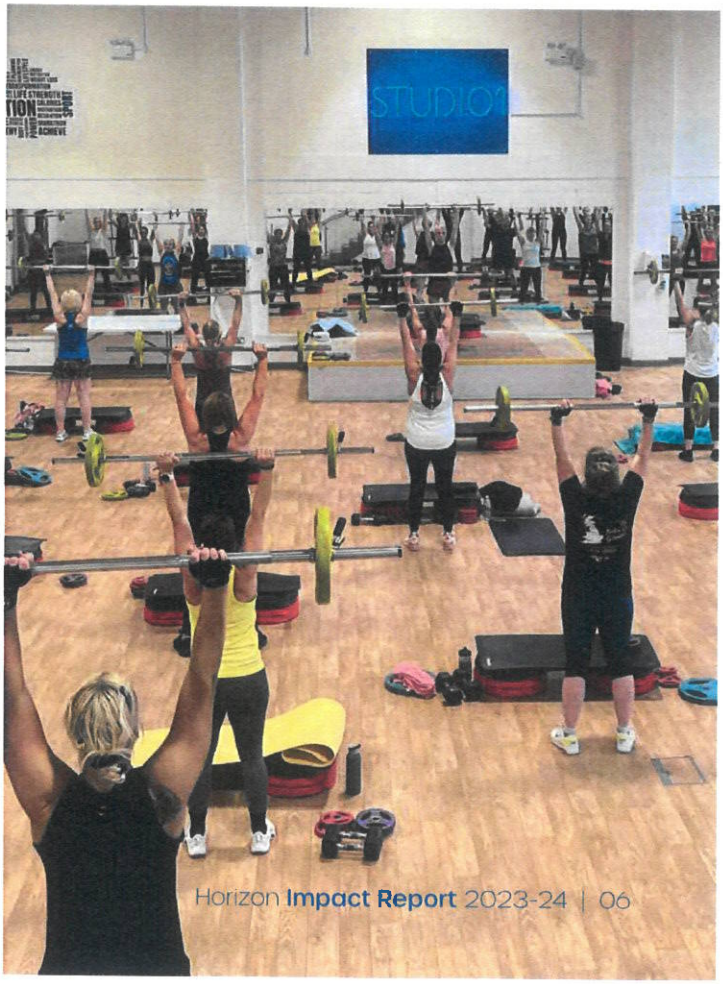
In 2023/2024, our exercise studio programmes hosted 126,802 customers, a 39% rise from the previous year. Now, 1 in 4 of our adult customers engage in group classes at least once per month, reaching 30% participation (1 in 3) in peak months, surpassing sector averages. The programme continues to evolve, providing a more diverse range of classes. This will be enhanced in 2025 where additional exercise studios will form part of a significant investment programme at Waterlooville Leisure Centre.










STUDIO 1

Swimming

Swimming is an essential life skill that supports so many other areas of both childhood and adult development.

We continue to provide swimming lessons for local schools and academies, having taught over 3,023 school children in 2023/24, with **17,577 attendances.**



"Sport England's latest Active Lives Children and Young People report shows that in the UK **72% of children in Year 7** meet the guidelines to swim competently and confidently over a distance of at least 25m, which is **down 4%** compared to 12 months ago and **6.3% below pre-pandemic levels**".

Swim School

We offer an excellent Swim School for both children and adults. The Swim School provides adults and young people from the age of four an opportunity to develop key skills and to enjoy swimming from an early age.

At Horizon, we also offers **over 200 hours of swimming lessons each week** to a variety of ages and ability levels. Our aim is to enable our swimmers to reach their full potential, developing a clear progression pathway into competitive swimming.

Our Swim School has expanded and now provides swimming lessons at our Guildford site, with **3,300 people learning to swim** across the three centres.

Swim School Development

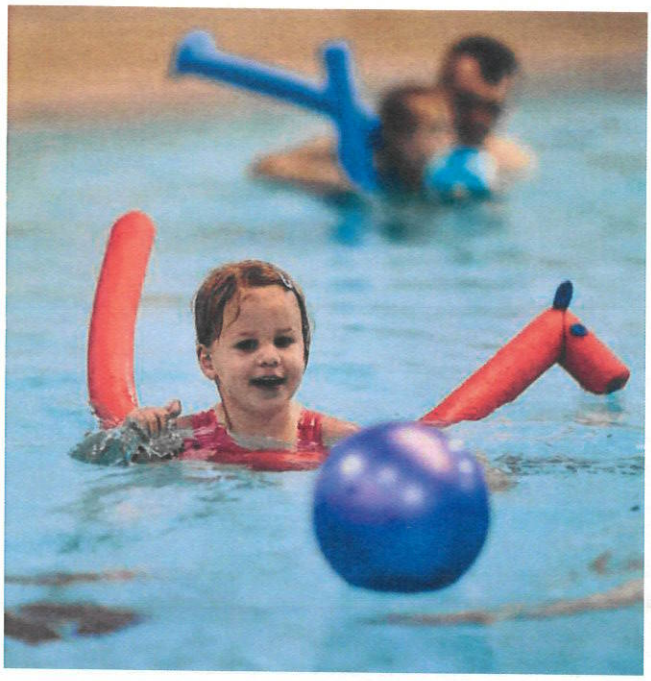
Our online portal allows parents to closely track the progress of their children.

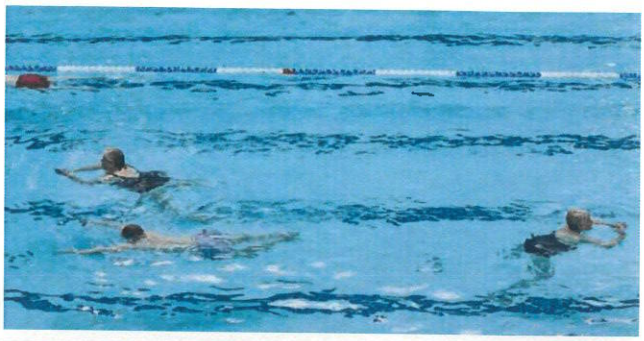
Additionally, we have introduced Swimmer of the Week, which recognises children that have excelled in a particular swimming discipline or level. This is shared across our social media platforms each week and gives the children and families the confidence in Horizon's Swim School.

Our Swim School provides Parent and Baby swimming lessons which provide an opportunity for parents and babies to bond in a fun and safe environment.

The Swim School has also expanded its programme introducing swimming lessons for Home Educated children as well as Community lessons for adults in partnership with Havant Borough Council.

We continue to provide one to one swimming lessons for swimmers of all abilities. This has led to one Swimmer being recognised as the Junior Disabled Sportsperson of the Year at the Havant Borough Sports Association 42nd Annual Awards in February 2024.







99,782

Swim School attendances in 2023/24

Horizon Swim School reached a record high of **3,300 people learning to swim** across three centres, which represents a

3%

increase year on year

Havant & Waterlooville Swimming Club (HWSC)

Founded in 1991 the swimming club provides competitive swimming for both Children and Adults. Having strong links with the Horizon Swim School, the swimming club provides the perfect link for children who enjoy swimming and would like to experience competition, improve technique and build confidence. It is great to see the progress made by so many young people as they develop their swimming skills, many started their journey with Horizon's Swim School.

Many of the swimmers parents enjoy using the Gyms and attend classes whilst their children train in the pool. Also, a number of older swimmers use the junior gym and take up Lifeguard positions for Horizon. In the recent Hampshire County Swimming Championships swimmers from HWSC won a number of gold, silver and bronze medals. Additionally we had one of the largest number of swimmers achieving qualifying times and then progressing through to the Regional Championships. We also have a squad of Masters swimmers aged from 18 years to nearly 80 years. Demonstrating that swimming is a sport for life.

Susan Dewar - Secretary HWSC

Community Health & Wellbeing

Horizon is committed to improving the health and wellbeing of our local community. In 2023/24 we launched a range of health and wellbeing programmes which are specifically designed to support people with greater needs or those at risk of long-term health conditions. Led by the Community Health and Wellbeing Manager, a wide range of health initiatives provide integral support for residents of the Borough.

Physical inactivity is associated with one in six deaths in the UK and is estimated to **cost the UK £7.4 billion annually** (including £0.9 billion to the NHS alone).

Unfortunately, the UK population is around 20% less active than in the 1960s. If current trends continue, it will be 35% less active by 2030.

With over 50's sports clubs and youth memberships flourishing, we continue to make a genuine difference within the community that we serve and we were very proud to be nominated in February 2024 for Community Business of the Year.

Community wellbeing at Horizon does not discriminate and we will constantly strive to provide support to the community, wherever possible.

"At Horizon, we believe that everyone should have the opportunity to be active. Physical activity is essential for maintaining a healthy body and mind, enhancing quality of life, and fostering a sense of community. We strive to offer a programme that meets the needs of everyone in our community, regardless of age, gender, financial status, or background. Our goal is to offer a variety of programmes and opportunities to help more people reap the benefits of a physically active lifestyle, enabling them to live longer, healthier lives."

Emma Cunningham
Community Health & Wellbeing Manager, Horizon

Health Referral Scheme

The Health Referral Scheme has supported over 500 people to be active whilst living with specific health conditions. This has resulted in an increase in referral memberships but also adherence in physical activity. We have welcomed over 1,466 attendances to our health and wellbeing classes. These classes not only provide a crucial role in promoting good physical health but also as a way to socialise with others with similar conditions, working towards reducing loneliness and isolation.

This scheme helps people living with specific health conditions manage their health through increasing their physical activity where they may not have the confidence to be active without the support of our Health coaches who are specifically trained in exercise for various health conditions.

This year our top reasons for referral were:

1) Joint Injury Rehabilitation **2)** Osteoarthritis **3)** Lower Back Pain

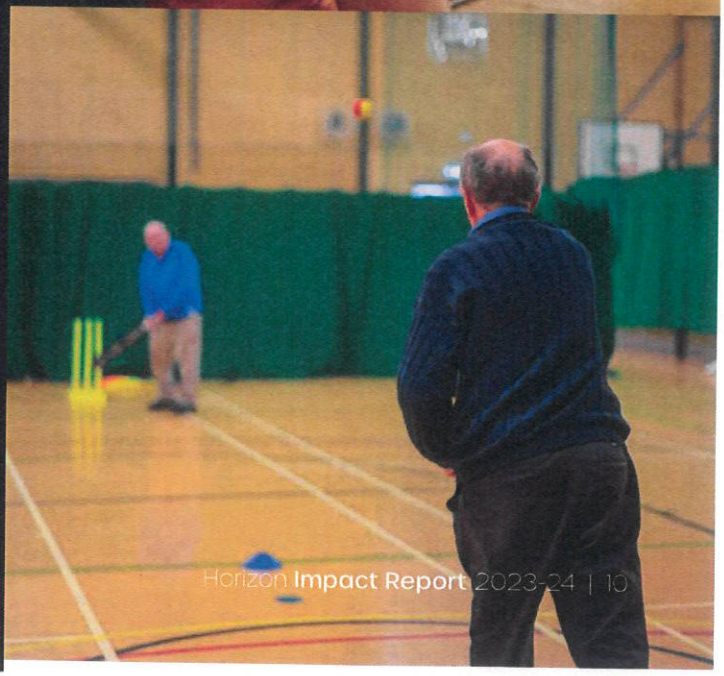
Around **1 in 4** adults do not meet the Chief Medical Officer's recommendations for participation in physical activity. (150 minutes of moderate intensity activity per week)



Due to the success of the Falls Prevention class we introduced last year at Havant, we have **added a further Steady and Strong class** in partnership with Southern Health NHS Community Physiotherapy team.



Around **1 in 3** (34%) of UK men and **1 in 2** (42%) of UK women are not active enough for good health.



Community Engagement

We believe that people should be active regardless of their ability level, age, gender, background or financial status. Horizon is committed to breaking down barriers to participation in physical activity.

We have introduced a number of Initiatives over the last year to increase activity levels across the borough. Last year, we ran 7 tea dances for our local community, attended local outreach events including Party in the Warren and local school fetes. All aimed at greater engagement with local people.

We also recognise that not everyone has the ability to access our leisure centres so we offer a number of community based activities.

Last year we delivered physical activity sessions out in the community for Havant and East Hants Mind's mental health charity. We had over 1,691 visits at our community classes in a local church hall.

We actively connects with a wide network of community-based organisations across the region, including our local health care professionals, social prescribers, community organisations such as Off The Record and Havant and East Hants Mind.

Community Discount Card

There has never been a more crucial time for us to support our customers to be active. We recognise that many local families are on lower incomes, and therefore we want to provide as much support as possible so that price does not become a barrier.

The community discount card enables families on lower incomes to access a variety of activities at discounted rates with **savings of up to 40%.**

We have been promoting the community discount cards across the borough with local housing associations with the support of Havant Borough Council and have seen an **uplift in memberships of 161%.**











Horizon Wellbeing Hub

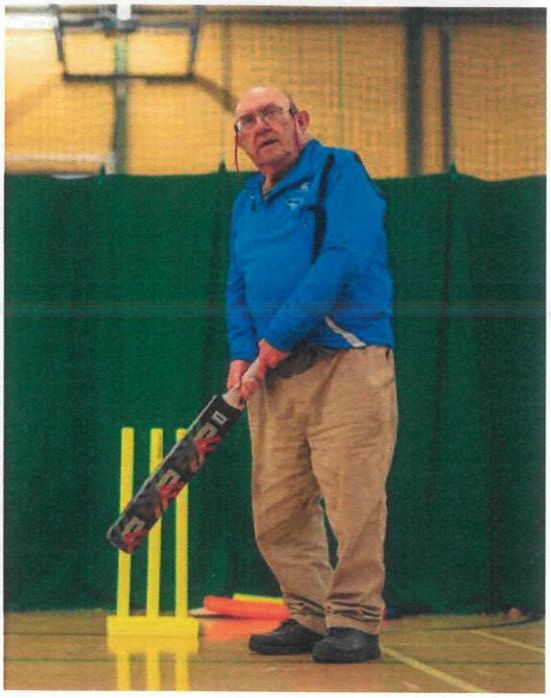
In June 2023 we launched the Horizon Wellbeing Hub, situated in the heart of Havant's Meridian shopping centre. We recognised that we needed to reach our community in different ways and make our leisure centres more accessible.

Since it's launch, we have welcomed 1,438 visits through the doors to support people to improve their health and wellbeing by health checks, small group exercise classes and targeted programmes to support people to use our leisure centres, including weight management, Falls Prevention and launched our new Beat It programme in March 2024 to support people to manage their blood pressure through increased physical activity and lifestyle changes.













Health & Wellbeing Programmes

Flourish

Flourish, our 12 week weight management programme, in partnership with Hampshire County Council, has supported over 320 ladies to collectively lose weight, with 92% of those completing the programme showing an improvement in their health and wellbeing.

With **over 500 applicants** this scheme is in high demand and due to its success **Hampshire County Council have extended the funding into 2027.**

"Flourish has been Informative, engaging and it's been invaluable for increasing my confidence to be able to exercise again. I've learnt about the health implications of weight loss and other detrimental effects on your health. I've also learnt how to eat better, track macros and enjoy eating without feeling 'bad'.
It's been great to do this in a group environment, with all women where I felt safe."

Flourish Participant

FLOURISH with Horizon

Vine Medical Group

We have continued to work in partnership with the Vine Medical Group to support our community through a number of initiatives. These include monthly visits to our parent and baby group by a GP from the Vine Medical Group to provide advice and guidance to parents/carers and the option to have their baby weighed.

Delivering health walks for Vine Medical patients as part of an organised monthly walk to help support patients to improve their health and wellbeing through increasing activity through walking.



Walking Netball



This year Get Up and Go funded three volunteers to attend an England netball course, to enable them to lead our walking netball sessions.

This year we have had 238 visits for walking netball. The sessions are a great addition to our timetable, allowing for a sociable, fun group to participate in a slower paced version of a much loved sport.

ESCAPE-pain

We have continued to deliver ESCAPE-pain courses which help people to manage osteoarthritis of the knee or hip through education and lower limb strengthening.

This course has been effective in improving the quality of life of those living with the condition, and served as a gateway for people to go onto longer term physical activity options such as long term condition swim, walking netball and low impact circuits. The support for this group goes beyond the physical impact and provides a support network for those living with the condition.

ESCAPE-pain of the 20 customers on the course:

69% had a reduction in stiffness

64% had a reduction in pain

92% had an increase in their activities of daily living

72% felt an increase in quality of life



Children & Young People

Physical activity is integral for children and young people. It helps to build the foundations to lead a healthy happy life, both in terms of physical and mental health. From a young age, physical activity helps develop gross motor skills, self-confidence and improves educational outcomes.

In 2023/24 our focus to drive more activities for children was unprecedented with fantastic results in Oceans of Play Soft Play Centre, Junior Gym, Crèche, Sports Clubs, Free & Active and the launch of **THRIVE**.

Play

With **over 28,231 visits in the year 2023/24,** Oceans of Play Soft Play Centre continues to be a popular choice for families in the borough.

In 2024/25 we plan to build on this success through the relaunch of Horizon birthday parties and new events for both children and families.

Junior Gym

We saw a **junior gym attendance of 4,653 visits in 2023/24**, which regularly reaches full capacity.

To compliment the junior gym offer, in April 2024 we introduced **THRIVE** to provide a more comprehensive offering for all children and young people, to meet the demand and needs of our local children.

Crèche Facilities

Horizon is very proud to deliver a crèche provision at both Havant and Waterlooville centres. This is invaluable for local parents and carers allowing them free time to improve their personal health knowing that their child is in a safe, welcoming and stimulating environment.

Our crèche is a lifeline for many parents who wish to be active and we want to help break down barriers to physical activity including childcare. Not only is this service included as part of our membership it is also accessible on a pay as you go basis, giving parents options when finances may be squeezed. **We have welcomed 12,278 visits in 2023/24** at our crèches across both Havant and Waterlooville.

Junior Activities

We offered Holiday camps at Christmas, summer and February half term for our local children and young people to come and be active. Partnering with Activ8 Minds who have a strong reputation for delivering high quality and engaging holiday camps since 2014. There were Holiday Activites and Food (HAF) funded spaces to ensure the camps were accessible to those on lower income.



Sports Clubs

Our Gymnastics and Trampolining programmes have grown in popularity reaching record occupancy levels of 87% (Gymnastics) and 70% (Trampolining). We have had over 4,928 attendances across both programmes throughout the year. As a result we have added both adult and additional needs sessions. We have made investments into our equipment and staff to ensure we deliver the highest quality lessons to help our children thrive.



Free & Active

Summer 2023 saw the return of our free and active sessions. **Over 6,000 visits took place** across our Havant and Waterlooville centres during the six week school holidays.

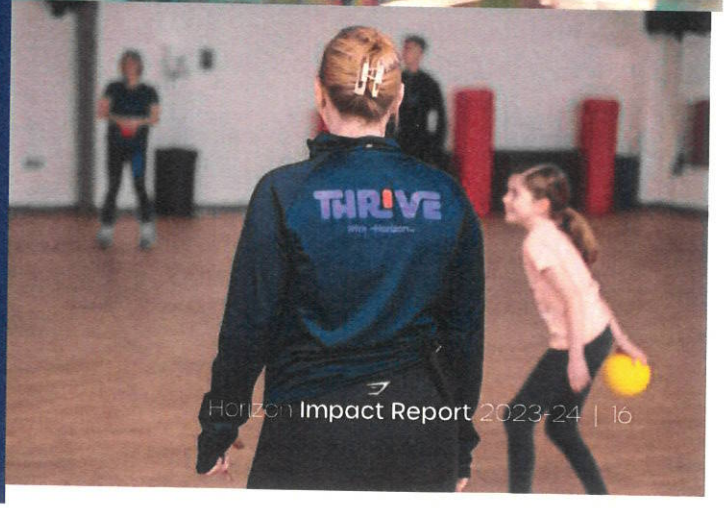
We are so proud to offer free activities for local children and young people as we believe everyone should have access to swimming. In the Havant Borough we are lucky to be in close proximity to the beach but this makes swimming such a crucial life skill.



Family Fun Day & THRIVE

In March 2024 we welcomed 179 visits to our open day to showcase our new after school activity programme THRIVE.

We're delighted to offer 42 new weekly classes for 2024/25 across all three of our centres.



Our People

At Horizon, we prioritise a positive work culture, emphasising diversity, inclusion, and respect while fostering employee growth, development, and wellbeing.

Our core values:
Passionate
Respectful
Innovation
Dynamic
Empowering

PRIDE guides our decisions and shapes our organisational culture.

Our investment in people is reflected in the very positive results from both our Employee Net Promoter Score (ENPS) and annual Employee Engagement Survey. The ENPS score for 2024 was 50, and we were also delighted to be short-listed for the Portsmouth News 'Employer of the Year Award 2024'.

76%

of staff agree Horizon is a great place to work





Horizon Academy

Creating an environment where everyone can learn and grow is a key priority for our business and has led to the development of our very own Horizon Academy. We received a 'Highly Commended' award for Learning at Work Week 2023, recognising our efforts in Inspiring a Lifelong Learning Culture. 25% of our people attended external training and 100% received some form of in-house training in 2023/24.

We believe that investing in our people strengthens our business and community. Alongside workforce investment, we support initiatives like LinkUp Leigh Park, apprenticeships, work experience programmes, local job fairs and school events. We are also proud to be a Disability Confident Employer.

Financial Summary

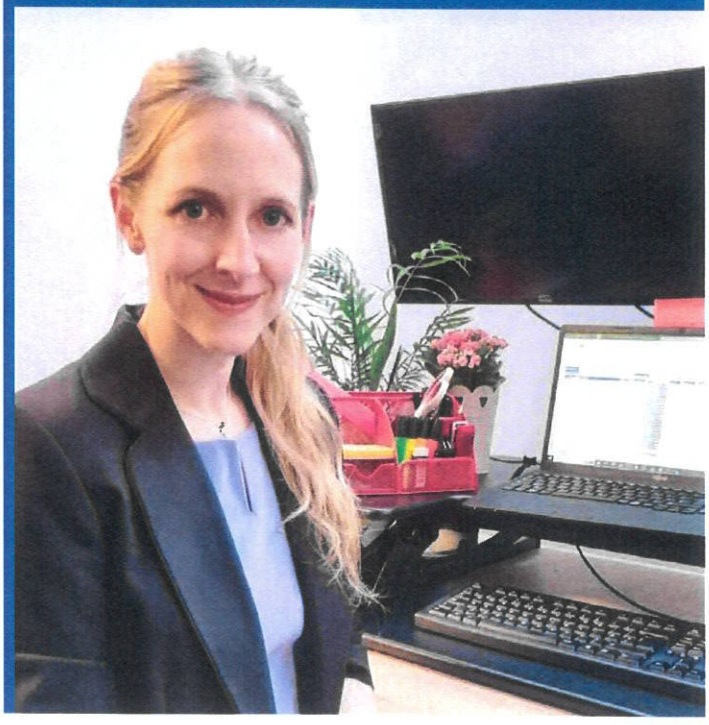
Sarah Smith, Head of Finance

In 2023/2024 there have been some notable investments using the surplus and reserves made during prior years, including the expansion into two successful new centres, refurbishment of existing health and fitness facilities, a new boiler at Havant and upgrade of the IT infrastructure.

Despite current economic conditions, Horizon has continued to flourish. Memberships and casual income have risen and our sites are busier now than pre-covid, seeing income increase 31% year to year.

Costs have increased 26% year to year, however with careful cost control, Horizon makes informed decisions that are best value for the community it serves. Horizon try to source local suppliers wherever possible, and this accounted for around 25% of operational expense in 2023/2024.

Horizon has had another positive year and the outlook for the following years is optimistic.



2023/24
Total Group Income
increased
31%
compared to 2022/23

2023/24
Total Group Expense
increased
26%
compared to 2022/23

Membership
income increased
28%
versus budget
target in 2022/23

Swim
income increased
25%
versus year
end budget

Horizon have attracted **£54,132 in external grant funding** to deliver Flourish, wellbeing walks and a 0-5 years children's referral pilot project



Events

We at Horizon continue to enrich the Havant Borough with diverse events, appealing to both locals and newcomers, fostering community engagement and entertainment. In 2023/24, we introduced a fresh array of events, including family celebrations, comedy evenings, fashion shows, Mixed Martial Arts (MMA) competitions and children's entertainment.

Our partnership with Havant Borough Council extends to hosting local elections at Havant Leisure Centre, while local primary schools utilise our facilities for area sports meetings. We're proud to once again host the Havant Borough Sports Awards evening, honouring the achievements of talented local athletes. Around 200 attendees celebrated their successes.

Looking ahead, we will continue to evolve introducing new and innovative events, diversifying revenue opportunities whilst providing fantastic arts, music and entertainment experiences for the local area. This expansion sets us as a true entertainment destination for the borough, solidifying our commitment to enriching community life through dynamic events and inclusive initiatives.

400%

increase in private function bookings

1,000

attendances at both the MMA and Comedy Evening events

£31,000

in revenue generated from 'Events' bookings for 2023/24

7

new events launched including Hampshire Fencing and Pickleball Festival

12,000

attendances to our Events in 2023/24

200

celebrated the Havant Sports Awards

245

dancers hosted in our leisure centres

300

Warhammer participants and 200 sword fighters

Our Future Direction

Our aim is to attract more local people into regular participation in physical activity, continuously innovating and introducing new activity programmes that meet the needs of local people. Working collaboratively is key to our success, Horizon is committed to nuturing a robust and sustainable partnership with Havant Borough Council, supporting the implementation of a comprehensive wellbeing strategy for the borough. In line with its ethos of innovation and service excellence, we will continue to cultivate a culture of transformation, adaptability, and responsiveness to evolving industry trends.

Embracing a philosophy of continuous improvement, we will focus on operational and strategic improvements, enhancing service standards for our customers. Furthermore, we remain committed to forging strong partnerships with health providers, using physical activity to prevent specific health conditions and reduce associated pressure on the NHS. Bolstered by past achievements, particularly in Guildford, Horizon is poised for ambitious growth and diversification, actively seeking new opportunities while ensuring alignment with its core vision, mission, and values.

Horizon Waterlooville

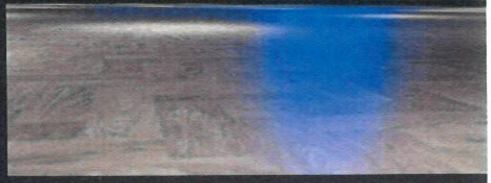
We are committed to improving services at Waterlooville Leisure Centre and in 2024/25 there will be a significant investment which will enhance the facilities for local people. Our ongoing collaboration and partnership with Havant Borough Council underpins our dedication to community interest. Havant Borough Council have contributed **£2.1m** in Secion 106 funding and **£200,000** has been secured through Winchester City Council through a successful CIL (Community Infrastructure Levy) bid. Horizon is contributing in the region of **£400,000**, which will ensure that a high quality transformation is achieved, making Waterlooville Leisure Centre the venue of choice for residents of the Borough.

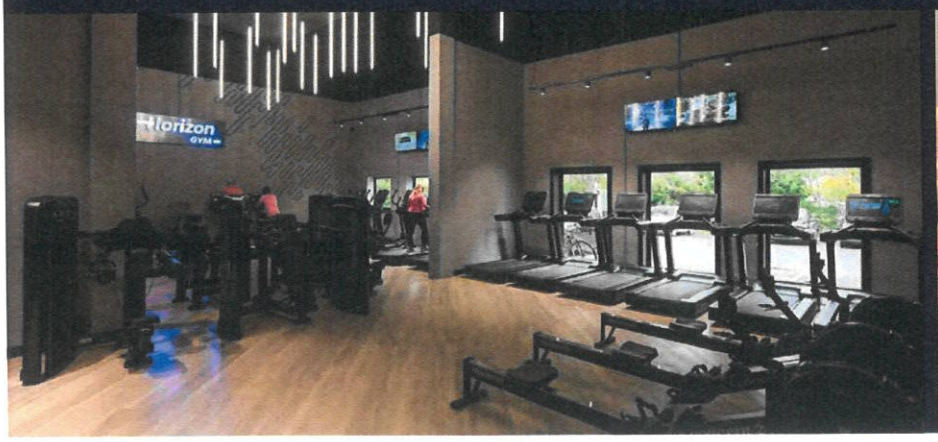
Aligned with community needs, our development plans include outdoor facilities, a state-of-the-art gym, two additional exercise studios, new crèche, soft play and spa facilities.

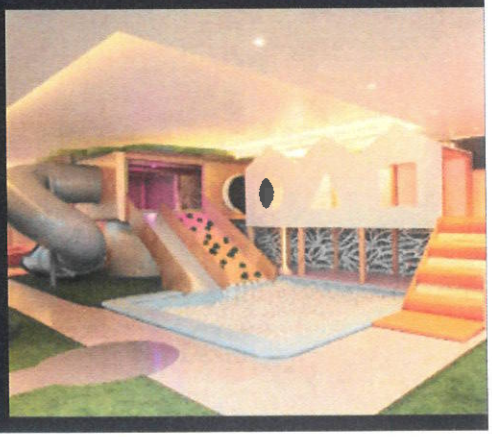
Internally, the proposed refurbishment seeks to enhance the member experience with high quality facilities for all ages and ability levels. This **£2.7 million** project demonstrates our commitment to the community and to our partnership with Havant Borough Council.











Collaboration

We recognise the need for effective collaboration on a local, regional and national level. Our partners help us deliver our wider aspirations for the organisation and achieve our charitable objectives.

Local Partnerships

In partnership with Havant Borough Council

Hampshire County Council

Winchester City Council

Vine Medical Group

NHS Hampshire Hospitals NHS Foundation Trust

NHS Southern Health NHS Foundation Trust

Energise Me

Moving Communities

mind for better mental health | Havant and East Hants

Dementia Friendly Hampshire

Active8 Minds Sport & childcare specialists

Havant & Waterlooville Swimming Club

Help for Heroes Support for our wounded

meridian shopping centre

OTR Off The Record

The Breastfeeding Network

National Partnerships

Community Leisure UK

Sport England

LesMills

Life Fitness

escape pain

Horizon Leisure Centres is a charity and company limited by guarantee which operates the Havant and Waterlooville Leisure Centres on behalf of Havant Borough Council under leases since October 1997.

Horizon **Havant**
Horizon **Guildford**
Horizon **Waterlooville**

Inspiring Healthier Happier Communities

horizonlc.com

Registered in Cardiff No. 3319069 • Charity No.1060896

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

England & Wales - Charity number 1060896

Accounts

Horizon Leisure Centres Annual Report 2022/23

Borough of Havant Sport and Leisure Trust

(A company limited by guarantee)

Company Registration No. 03319069 (England and Wales)
Charity Registration No. 1060896

Directors report and financial Statements

For the year ended 31 March 2023

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

CONTENTS PAGE
FOR THE YEAR ENDED 31 MARCH 2023

Contents

TRUSTEES' REPORT	1
AUDITOR'S REPORT	7
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	10
CONSOLIDATED AND COMPANY BALANCE SHEET	11
CONSOLIDATED CASH FLOW STATEMENT	12
NOTES TO THE FINANCIAL STATEMENTS	13

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustee Board of the Borough of Havant Sport and Leisure Trust ('the Charity') are pleased to present their annual report and consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2023. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our purposes and activities

The purposes of the Charity are:

- to provide fully inclusive access at affordable prices to sport and leisure facilities; and
- to help improve the health and well-being of the community

The principle object of the Charity is the provision of services and facilities for recreation, physical and other education, or leisure time occupation in the interests of social welfare. The Charity's vision is 'Inspiring healthier, happier communities' and Horizon is committed to providing best value leisure centres, which are accessible to all.

The principle activity of the subsidiary undertaking is the provision of food, beverages and retail in leisure centres operated by the Charity and for profits to be gift aided to the Charity annually.

The strategies employed to achieve The Charity's aims and objectives are to:

- Provide high quality leisure and sport facilities.
- Allow inclusive access to all members of the community.
- Offer a varied programme of activities (sporting and non-sporting) which encourages use of the Centres by all sections of the community; and
- Provide activities at prices affordable to members of the community.

Horizon will continue to evolve, and the future of provision will change to be more aligned with other health and wellbeing providers. Horizon will begin to consider co-located services and the introduction of the integrated health and wellbeing systems to reduce health inequalities and maximise prevention of specific health conditions. Over the last year, strong partnerships have been formed with the NHS and Social Prescribers, Hampshire Mind and Havant Borough Council's Community Team to enhance targeted community programmes.

Community Health and Wellbeing

The Charity offers a wide range of activities to the community, covering all-age groups with the most popular being gym, exercise classes, and swimming. In 2022 the health referral programme was relaunched with greater engagement with local GP's. There are over 200 committed memberships as of March 2023. In 2023, Horizon were funded to deliver pilots for a Community Weight Management programme targeting local women. Additional funding was granted by Hampshire County Council in 2023 to deliver a children's referral programme for 0–5-year-old children focused on swimming and play. Junior memberships were launched in 2023 targeting young people from the age of 10 years. These have proved successful with over 200 young people taking up the membership.

Targeted Activities

Family Bootcamps: In Summer 2022, Horizon took activity programmes out of the centres and into parks and open spaces. To encourage greater participation in physical activity, two outdoor bootcamps were delivered for families and children. The sessions were popular, attracting members of the community who may not exercise regularly or consider visiting a leisure centre or gym.

Free and Active: As the cost-of-living crisis takes hold in the UK, Horizon is conscious that leisure and wellbeing activities during the school holidays are a challenge for lower-income households. Therefore, throughout the 2022 summer holiday period, Horizon provided free swimming and sports hall activities for children aged 5-16 years. The aim was to encourage young people into positive activities and to stay healthy, while removing the cost to parents. Over the six-week Summer holiday period, over 7,000 children participated in the sessions.

Horizon Health Hub: Horizon are planning to lease a retail unit in the local shopping centre in Havant to deliver health checks for local people. Working closely with Havant Borough Council, the aim is to better connect with residents of the Borough and encourage them into a more active lifestyle. Since its launch, the Wellbeing Hub has provided health checks and testing services for residents of Havant and strong partnerships have been developed with health partners such as: Homewell Medical Practice who provide drop-in sessions for their patients each month along with Social Prescribers and a mental health wellbeing coach.

There are also a range of classes being delivered I the Hub, such as 'Ladies that Lift', which incorporate 2 x 6-week courses for women who want to take up weightlifting the courses show the correct techniques to build confidence and independence with using weights.

Horizon deliver many activities for toddlers, children, and teenagers to access, which are either booked in advance or turn-up-on-the-day sessions. There are sessions to encourage parents to bring their pre-school children such as the mother and baby coffee mornings. The Charity provides a range of activities for customers aged 50 and over. These include the opportunity to be part of the 50+ Sports and Social Club at Havant Leisure Centre. The Club meets during the morning each week for activities which include badminton, table tennis, exercise classes, and squash as well as access to the gym. More recently regular afternoon tea dances have been introduced at Waterlooville Leisure Centre ensuring that the mix of services is as diverse as possible for local people.

Price and pricing policy

As a charity, Horizon's priorities are to provide social value and impact in the communities that we serve. It is also important that the facilities are commercially viable, ensuring any surplus is reinvested back into facility improvement and new innovative services for local people. Horizon's memberships are competitively priced and offer value when compared to other leisure operators. In 2022, Horizon introduced a concessionary pricing scheme. The targeted pricing policy offered families on lower incomes up to 40% discount on activities. A focus throughout 2023 is to promote the discounts locally to lower income households.

Facilities

Throughout 2022/23, the Charity has provided operational management for two leisure centres - one in Havant and at the other in Waterlooville. Both centres are owned by Havant Borough Council and are provided rent-free. Both leisure centres have large, well-equipped gyms, studios, 25m swimming pools, learner pools, creche, and coffee shop facilities. In addition, Havant has two sport halls, a large indoor soft play centre, a cycle studio, and toning table studio.

The original 30-year leases commenced in 1997 were renegotiated in 2014 and extended until 2042 following major capital investment in the centres by the Charity. The extended lease period has enabled the Charity to take a longer-term approach to major capital investment in the centres. During the financial year 2022/23, a business expansion strategy was developed and in 2023, a 15-year lease was taken in partnership with Brampton Leisure on a former Sports Direct leisure facility. The new facility would be operated as part of the charity with the same objects and focus on community benefit.

2022/23 has been a positive year for Horizon, developing plans for growth, investment and shaping the future health and wellbeing agenda, all of which underpin our vision to empower communities to lead happier, healthier lives. As we continue our journey from 'good to great', the focus remains on quality, service standards and widening the mix of activities for local people. One of our fundamental principles is to engage with members of the community and provide access to quality services, removing barriers to participation.

Partnerships

Strategic partnerships are integral to Horizon's future development and working collaboratively with Havant Borough Council, health providers and a range of stakeholders, Horizon will achieve greater impact within the community, supporting local people to lead more active and healthier lifestyles. Horizon's Health and Wellbeing programme has grown significantly, with a range of health programmes being introduced for people of all ages, ability levels and for those with greater health needs.

In May 2023, working closely with Havant Borough Council, Horizon delivered the first Wellbeing Hub within the Meridian Shopping Centre Havant. This facility enables Horizon to take health message into the community, connecting with local people, enabling them to take their first steps to becoming more active and making healthier choices. In 2023, Horizon opened its third high-quality health and wellbeing facility in Merrow Guildford. This is a significant step forwards for Horizon and enables the Charity to widen its reach and brand profile in the South of the UK. Following a £1m investment, Horizon now provide high quality health, fitness, swimming, and spa facilities to the local community in Guildford.

The financial statements show that at the end of the 2022/23 financial year, the group income was £5,478,955, compared to £ 4,509,808, which represents a 21% increase year on year. Increases were made across key income lines, which illustrated a strong recovery after challenging years linked to the pandemic. The number of visits to a Horizon health and fitness facilities increased significantly. In 2021/22 there were 296,971 visits compared to 371,546 in 2022/23. This represents an increase of 74,575 visits (25%), which has also resulted in an 86% increase in health and fitness revenue between 2021/22 - 2022/23.

The Horizon Swim School has over 3,000 people learning to swim across the two centres, which represents a 37% increase year on year. This has been achieved through more strategic planning of the pool space, increasing occupancy and effective progression of swimmers through the programme.

Reserves Policy

The Reserves Policy is reviewed by the trustees and adjustments are made to reflect the changing economic circumstances and investment prioritise at least annually. The amounts in the reserves are reflective of the Reserves Policy. General group cash reserves have been invested in accordance with the reserve policy. The general reserve is around 6% of group income. The general pension reserve relates to the liability on the LGPS.

The total funds held including both restricted and unrestricted funds is £6,791,080. Reserves have been funded from cash surpluses generated in the year.

Restricted funds relate to several refurbishment projects including disabled changing room, extension at Waterlooville

The Designated Guildford Reserve is for the set up and refurbishment of a new leisure facility which opened June 2023 in Merrow, Guildford. The Designated Improvement reserve is a fund for new projects. The designated life cycle reserve is a programme run by the Trust for the continuing refurbishment of the leisure centres. The Designated LGPS Deficit reserve is an amount which is to cover deficit on the pension scheme liability. The designated fixed asset reserve represents the total asset of the Group.

Horizon's Five-Year Strategy

Horizon is in the third year of its five-year strategic plan, which sets out the organisation's direction for the period 2021-2026. The strategic plan underpins the transformation programme, which has mapped out clear objectives to take the organisation from 'Good' to 'Great'. The key strategic themes are:

- Our Future
- Our people
- Our customers
- Our impact
- Our Finances

The transformation programme is driven from the strategy and ensures that the Leadership deliver clear and tangible results, and as such, significant progress has been made. In order to succeed, Horizon will need to work collaboratively with stakeholders and partners across the Borough. In terms of partnership, a strong and sustainable relationship with Havant Borough Council has been developed.

Business Expansion

Horizon is wholly committed to improving the health and wellbeing of Havant Borough residents. However, it is also important to recognise that our social impact model can be replicated geographically. When considering future growth, Horizon will ensure that opportunities have a clear strategic fit and enable us to deliver charitable objectives inspiring healthier happier communities.

Waterlooville Leisure Centre Capital Investment

Having commissioned Strategic Leisure, to undertake a feasibility study to develop the Centre, preplanning is now underway to enhance Waterlooville Leisure Centre. Submissions have been made for CIL (Community Infrastructure Levy) funding, which will be utilised to enhance the offering at the centre. The aim will be to:

- Add 2 all-weather pitches, which could be used to deliver a diverse and attractive range of sporting activities
- Potentially add 2 Padel courts, which would give opportunity for local people to try out a new and growing sport
- Modernise the current health and fitness proposition, to incorporate options for family fitness, possible co-located services, and targeted health programmes.
- Introduce soft play provision linked to an enhanced cafeteria

Overall the performance throughout 2022/23 has been very strong and a significant amount of change has occurred. Horizon remains ambitious for the future with many more exciting developments being planned.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Reference and administrative details

Charity Number 1060896
Company Number 03319069
Registered Office Havant Leisure Centre, Civic Centre Road, Havant, Hampshire, PO92AY

Our advisers

Auditors	Morris Crocker Limited Station House, North Street, Havant, Hampshire, PO9 1QU National Westminster Bank pie
Bankers	23 West Street, Havant, Hampshire, PO9 1EU Blake Morgan
Solictors	New Kings Court, Tailgate, Chandler's Ford, Hampshire, SO53 3LG Aston Lark Ltd
Insurers	Malling House, West Malling, Kent, ME19 6QL

Directors and trustees

The directors of the charitable company (the Charity) are its Trustees for the purpose of charity law.
The Trustees and officers serving during the year and since the year-end were as follows:

Key management personnel Borough of Havant Sport and Leisure Trust:

P Reid
P Mellor
J Crouch
P Jones
P Lewis
C Scott
S Gohl
M Toy
R Hedley - appointed 23rd March 2023

Secretary

P Lewis

Senior Managers

The Leadership Team consists of the following posts:
Chief Executive
Head of Finance
Head of Marketing and Communications
Head of Operations
Head of People and Culture

Manager Structure, Governance and Management

Governing Document

The Borough of Havant Sport and Leisure Trust is a company limited by guarantee, registered with Companies House, set up on 17 February 1997. Its activities are governed by its Articles of Association, which were last amended on 28 April 2022. The Charity is registered with the Charity Commission. The members of the company are the trustees/directors. Each member agrees to contribute £5 in the event of the Charity being wound up.

The Charity has a subsidiary trading company, which is a private limited company. The subsidiary is wholly owned by the charity.

Appointment of trustees

Trustees are appointed on the agreement of the Board following consideration of a CV and formal application. In most cases, a recommendation is made by the Board Chair and the Chief Executive to the Board on suitability following an informal meeting with the applicant, which can be attended by any trustee.

Trustee induction and training

An induction pack is provided to all new directors, which contains relevant information in relation to their roles and responsibilities as charitable trustees as well as information relating to the business of the charity. The induction includes a tour of the facilities operated by the Charity and an introduction to key members of staff.

Formal trustee training is planned annually although trustees can seek assistance from senior management at any time. Topics for training vary from year to year and are democratically agreed. External speakers may be employed where necessary to provide expertise in specialist areas.

Attendance of trustees at annual charity presentations are actively encouraged in order to keep up to date on sector developments.

Organisation

The governing body of the Charity is the Trustee Board, which currently comprises seven trustees, and meets on a monthly basis although additional meetings may be called when required .

A Chief Executive is appointed by the trustees to implement strategy and manage the day-to- day operations of the Charity.

By order of the Board of Trustees

P Jones
Chairman
Date: 26/10/23

Opinion

We have audited the financial statements of Borough of Havant Sport and Leisure Trust (the 'charitable company') and its subsidiaries for the year ended 31 March 2023 on pages 16 to 31, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and Cashflow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning ticket sales and grant income and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

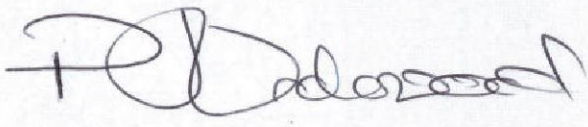
Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Use of our report

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



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU
Date: 3 November 2023

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM					
Charitable activities:					
Operation of leisure centres	3	4,648,444	1,241	4,649,685	3,713,624
Income from donations	4	564,000	-	564,000	621,754
Other trading activities:					
Commercial trading operations	5	251,520	-	251,520	157,573
Investment income	6	13,750	-	13,750	16,857
Total		5,477,714	1,241	5,478,955	4,509,808
EXPENDITURE ON					
Cost of raising funds:					
Commercial trading operations		237,177	-	237,177	121,818
Charitable activities:					
Operation of leisure centres	7	4,778,874	13,513	4,792,387	3,972,314
Donated facilities	7	564,000	-	564,000	621,754
Total	25	5,580,051	13,513	5,593,564	4,715,886
Net gains/(losses) on investments		9,953		9,953	66,943
NET INCOME/(EXPENDITURE)		(92,383)	(12,272)	(104,655)	(139,135)
Transfers between funds		25,220	(25,220)	-	-
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	29	1,016,000		1,016,000	568,000
NET MOVEMENT IN FUNDS		948,837	(37,492)	911,345	428,865
RECONCILIATION OF FUNDS					
Total funds brought forward		5,533,905	345,830	5,879,735	5,450,870
TOTAL FUNDS CARRIED FORWARD		6,482,742	308,338	6,791,080	5,879,735

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
FIXED ASSETS					
Tangible assets	18	4,576,854	4,423,801	4,542,377	4,422,330
Investments	19	620,282	610,329	620,284	610,331
		5,197,136	5,034,130	5,162,661	5,032,661
CURRENT ASSETS					
Stocks	20	7,411	7,917	-	-
Current asset investments	21	1,515,798	1,745,694	1,515,798	1,745,694
Debtors	22	197,399	160,861	192,266	161,527
Cash at bank and in hand	28	567,835	487,282	551,320	452,018
		2,288,443	2,401,754	2,259,384	2,359,239
CREDITORS					
Amounts falling due within one year	23	(533,705)	(389,365)	(523,848)	(388,599)
NET CURRENT ASSETS		1,754,738	2,012,389	1,735,536	1,970,640
TOTAL ASSETS LESS CURRENT LIABILITIES		6,951,874	7,046,519	6,898,197	7,003,301
CREDITORS					
Amounts falling due in more than one year	24	(17,794)	(47,784)	(5,108)	(47,784)
NET ASSETS EXCLUDING PENSION LIABILITY		6,934,080	6,998,735	6,893,089	6,955,517
Defined benefit pension scheme liability	29	(143,000)	(1,119,000)	(143,000)	(1,119,000)
NET ASSETS		6,791,080	5,879,735	6,750,089	5,836,517
FUNDS					
Unrestricted funds:	25				
Unrestricted funds excluding pension liability		6,625,742	6,652,905	6,584,751	6,609,687
Pension reserve		(143,000)	(1,119,000)	(143,000)	(1,119,000)
		6,482,742	5,533,905	6,441,751	5,490,687
Restricted funds	25	308,338	345,830	308,338	345,830
TOTAL FUNDS		6,791,080	5,879,735	6,750,089	5,836,517

The financial statements were approved by the Board of Trustees on 26/10/2023 and signed on their behalf by:

P Jones
Chairman
Date: 26/10/23

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash flows from operating activities					
Cash generated from operations	27	384,852	463,540	385,832	441,274
Cash provided by (used in) operating activities		384,852	463,540	385,832	441,274
Cash flows from investing activities					
Interest income		13,750	16,857	13,750	16,855
Proceeds on sale of investments		229,896	(414,837)	229,896	(414,837)
Proceeds on sale of fixed assets		-	-	-	-
Purchase of tangible fixed assets		(525,287)	(155,189)	(487,500)	(155,189)
Cash provided by (used in) investing activities		(281,641)	(553,169)	(243,854)	(553,171)
Cash flows from financing activities					
Cash inflows from new borrowing		21,996	-	-	-
Repayment of borrowing		(44,654)	(49,484)	(42,676)	(49,484)
Cash provided by (used in) financing activities		(22,658)	(49,484)	(42,676)	(49,484)
Change in cash and cash equivalents in the reporting period		80,553	(139,113)	99,302	(161,381)
Cash and cash equivalents at the beginning of the reporting period		487,282	626,395	452,018	613,399
Total cash at the end of the year	28	567,835	487,282	551,320	452,018

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preperation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Borough of Havant Sport and Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of the accounts on a going concern basis

The Charity reported a cash outflow of £107k (2022: £139k) from operating activities and investing activities.

At the year end the group had free reserves totalling £283k (2022: negative £730k). The designation of funds for future projects and potential shortfalls is considered to ensure the future of the charity. The trustees have reviewed projected income and expenditure for the next twelve months and on that basis the Charity is a going concern

1.3 Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.4 Income

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

Income represents point of sale receipts and amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

Income from local authority and other grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is accounted for in the period in which the Charity is entitled to receipt.

Income received in advance of a fitness class, swimming lesson or parties is deferred until the criteria for income recognition are met (see note 24).

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated facilities reflect the rateable value of the two leisure centres provided by the local authority for no charge and a 20% discretionary relief provided by the local authority on the National Non Domestic Rates bill

1.6 Interest receivable

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

1.7 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 Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific 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 company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

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

1.8 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds comprise the costs of commercial trading including the cafes and goods for resale and their associated support costs.

Expenditure on charitable activities includes costs associated with the running of the leisure centres and include both the direct costs and support costs relating to these activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas, staff costs by time spent and other costs by their usage.

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

1.9 Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include support office costs, finance, personnel, payroll, and governance costs which support the Charity's leisure programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities where applicable. The bases on which support costs have been allocated are set out in note 9.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Substantial assets are reviewed and broken down into component parts where the useful economic life of a component is significantly different to the rest of the asset.

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

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:

Leasehold property consisting of:
Land and buildings: Over the period of the lease
Other components: Over 10 - 15 years
Plant & machinery: 10% - 33% straight line
Income generating equipment: 20% - 50% straight line
Operational equipment: 20% - 33% straight line
Assets under construction: No depreciation charge

1.12 Investments

(i) Fixed asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year

(ii) Investments in subsidiaries are valued at cost less provision for impairment

(iii) Current asset investments include short term highly liquid investments that require more than three months but less than one year notice to withdraw cash.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount due.

1.15 Creditors

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.

1.16 Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. A corresponding liability is recognised for the fair value of the leased asset in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Financial Activities so as to achieve a constant rate of interest on the remaining balance of the liability.

1.17 Pensions

The company operates a defined benefits pension scheme which requires contributions to be made to a separately administered fund. The scheme is closed to new members. A defined contribution pension scheme is available to all employees.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income or expenditure as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Allowance has been made for full indexation on all Guaranteed Minimum Pensions (GMP) for members whose State Pension Age is on or after 6 April 2016. A McCloud underpin liability has been calculated with the assumption that the underpin applies to
1) all members in service on 1 April 2012
2) members' benefits on reaching retirement (normal or ill health), or on prior withdrawal, and
3) spouse's benefits on death after retirement. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

1.18 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating and finance lease commitments
The Charity has entered into leases as a lessee for use of plant and equipment. The classification of such leases as operating or finance lease requires the Charity to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. One lease has been recognised as a finance lease.

Pensions
The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Management have placed reliance on the figures prepared by the work of an expert. Further details are given in note 30.

Fixed Assets
The Charity purchases fixed assets and writes the cost less estimated residual value down over the expected useful life of each asset. Choosing the useful economic life of an asset is a judgement by management that impacts on the financial statements over a number of years. A small variation in the life could have a significant affect on the financial statements. The useful life of the asset is determined in the year of purchase and is based on experience. This is reviewed annually to ensure it is still appropriate.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 5. In the event of the company being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £
Grants from institutions	-	1,241	-	-
Operation of leisure centres	4,648,444	-	3,713,624	-
	4,648,444	1,241	3,713,624	-

4. INCOME FROM DONATIONS

	2023 £	2022 £
Donated facilities	564,000	621,754

5. INCOME FROM OTHER TRADING ACTIVITIES

The wholly owned trading subsidiary the Borough of Havant Sport and Leisure Trading Limited is incorporated in the United Kingdom (company number 3406679) and pays all of its profits to the Charity under the gift aid scheme. The subsidiary operates café and bar facilities and sells leisure goods. All commercial trading operations are carried out at the Charity's leisure centres. A summary of the trading results is shown below.

	2023 £	2022 £
Turnover	251,390	157,573
Cost of sales and administration costs	(237,177)	(121,818)
Management charge expense	(12,000)	(9,843)
Other operating income	0	-
Interest receivable	130	2
Net (loss)/ profit	2,344	25,914
Amount gift aided to the charity	(4,573)	-
Retained in subsidiary	(2,229)	25,914
The assets and liabilities of the subsidiary were:		
Current assets	48,796	65,008
Current liabilities	(29,598)	(23,262)
Total net assets	19,198	41,746

6. INVESTMENT INCOME

	2023 £	2022 £
Bank interest	13,750	16,857

7. DIRECT COSTS

	Provision of sporting and leisure facilities to the public	Total funds	Total funds
	2023	2023	2022
	£	£	£
Operational staff	2,083,983	2,083,983	1,524,715
Other finance expense (Note 17)	40,000	40,000	34,000
Equipment and materials	68,990	68,990	84,950
Subcontractors	130,446	130,446	96,052
Premises and equipment maintenance	358,323	358,323	233,874
Repair and replacement fixtures	75,472	75,472	52,969
Energy and utility	368,385	368,385	352,234
Third party support and insurance	109,401	109,401	71,486
Marketing, unrecoverable VAT and other	468,064	468,064	382,144
(Gains)/losses on disposal of fixed assets	5,286	5,286	2,290
Depreciation	356,268	356,268	421,086
Governance costs	48,403	48,403	59,279
Support costs	679,366	679,366	657,235
	4,792,387	4,792,387	3,972,314
Donated facilities	564,000	564,000	621,754
	5,356,387	5,356,387	4,594,068

Expenditure on charitable activities was £4,794,986 (2022: £3,972,314) of which £4,781,473 was unrestricted (2022: £3,972,314) and £13,513 was restricted (2022: £Nil).

8. SUMMARY OF ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This shows the cost of the main charitable activity and the sources of income that directly support those activities.

	Provision of sporting and leisure facilities to the public	
	2023	2022
	£	£
Costs	(4,792,387)	(3,972,314)
Income from sport and leisure facilities	4,649,685	3,713,624
Net income to fund future costs and projects	(142,702)	(258,690)

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs these, along with the remaining support costs, are allocated to the cost of the Charity's key charitable activity. The table below shows the basis of apportionment and the analysis of support and governance costs.

		General Support	Governance function	Total
	Basis of apportionment	2023 £	2023 £	2023 £
Audit, legal and professional (Note 11)	Governance	27,456	48,087	75,543
Trustee expenses and indemnity insurance	Governance	-	316	316
Corporate office staff costs	Time allocated	586,484	-	586,484
IT and payroll running costs	As invoiced	65,426	-	65,426
Council pension settlement	Support	-	-	-
		679,366	48,403	727,769

10. TURNOVER

All turnover arose within the United Kingdom.

11. NET INCOMING RESOURCES

This is stated after charging:	2023 £	2022 £
Depreciation of tangible fixed assets:		
Owned by the charitable group	295,888	421,490
Assets held under finance lease	71,216	71,216
(Surplus)/Loss on disposal of fixed assets	5,286	2,290
Auditor's remuneration:		
Audit fees	11,150	-
Other advice	3,000	-
Auditor's remuneration (previous auditors):		
Audit fees	(646)	14,850
Other advice	-	3,780
Operating leases - equipment	9,806	9,808

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY

	2023	2022
	£	£
Staff costs were as follows:		
Wages and salaries	2,458,767	1,933,520
Social security costs	161,787	125,339
Other pension costs (Note 29)	49,913	49,129
	2,670,467	2,107,988

	2023	2022
	No.	No.
The number of higher paid employees was:		
In the band		
£80,001 - £90,000		1
£90,001 - £100,000	1	

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

During the year, no trustees received any remuneration (2022: £NIL).

During the year, no trustees received any benefits in kind (2022: £NIL).

Two trustees received reimbursement of expenses amounting to £67 in the current year, (2022: one trustee received £501).

The key management personnel of the parent charity comprise the trustees, and the senior management team consisting of the Chief Executive, Head of Operations, Head of People and Culture, Head of Finance, Head of Marketing and Commercial Director. The total employee benefits of the key management personnel of the Charity were £343,912 (2022: £315,452).

The key management personnel of the group comprise those of the Charity and the directors of its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited.

13. STAFF NUMBERS

The average monthly head count including casual and part-time staff during the year was as follows

	2023	2022
	No.	No.
Management	6	5
Other	171	137
	177	142

14. RELATED PARTIES

In 2023 the following transactions took place between the Charity and its wholly owned subsidiary Borough of Havant Sport and Leisure Trading Limited:

The provision of kitchen facilities at the Waterlooville café and kitchen equipment by the Charity to Borough of Havant Sport and Leisure Trading Limited of £1,084 (2022: £1,084).

The provision of management and administrative services by the Charity to Borough of Havant Sport and Leisure Trading Limited totalling £12,000 (2022: £9,843).

The transfer under gift aid of the trading profits of Borough of Havant Sport and Leisure Trading Limited to the Charity of £4,573 (2022: £Nil).

At the balance sheet date the Charity owed Borough of Havant Sport and Leisure Trading Limited £19,742 (2022: £14,775). The majority of this balance represents receipts received by the Charity on behalf of Borough of Havant Sport and Leisure Trading Limited which were not paid to the Trading Company as at 31 March 2023.

During the year it was agreed to offer free leisure centre membership to trustees pending successful review of their contributions over the year, in which five trustees were granted membership.

15. GOVERNMENT GRANTS

Income from Government grants comprises project related grants made by Local Authorities to fund specific sport, leisure and health projects run by the Charity.

Government grants relating to the Coronavirus Job Retention Scheme (CJRS) have been received during the year in respect of employee costs incurred for furloughed staff is as follows:

	2023 £	2022 £
Government grants	-	269,664

16. CORPORATION TAX

As a charity, the Borough of Havant Sport and Leisure Trust benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable to corporation tax on income or gains falling within those exemptions.

17. OTHER FINANCE EXPENSES

	2023 £	2022 £
Expected return on pension scheme assets	111,000	86,000
Interest on pension scheme liabilities	(141,000)	(120,000)
	(30,000)	(34,000)

18. TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	L/Term Leashold Property £	Plant and Machinery £	Income generating equipment £	Operational Equipment £	Total £
COST						
At 1 April 2022	22,276	6,906,373	37,606	1,361,277	619,566	8,947,098
Additions	17,729	375,840	15,791	39,844	76,083	525,287
Disposals	-	(10,534)	(12,619)	(39,832)	(14,238)	(77,223)
At 31 March 2023	40,005	7,271,679	40,778	1,361,289	681,411	9,395,162
DEPRECIATION						
At 1 April 2022	-	2,727,916	36,134	1,249,043	510,204	4,523,297
Charge for year	-	241,970	2,803	78,072	44,259	367,104
Eliminated on disposals	-	(5,404)	(12,619)	(39,832)	(14,238)	(72,093)
At 31 March 2023	-	2,964,482	26,318	1,287,283	540,225	4,818,308
NET BOOK VALUE						
At 31 March 2023	40,005	4,307,197	14,460	74,006	141,186	4,576,854
At 31 March 2022	22,276	4,178,457	1,472	112,234	109,362	4,423,801

TANGIBLE FIXED ASSETS - CHARITY

	Assets under construction £	L/Term Leashold Property £	Plant and Machinery £	Income generating equipment £	Operational Equipment £	Total £
COST						
At 1 April 2022	22,276	6,906,373	-	1,353,807	619,566	8,902,022
Additions	17,729	375,840	-	17,848	76,083	487,500
Disposals	-	(10,534)	-	(39,832)	(14,238)	(64,604)
At 31 March 2023	40,005	7,271,679	-	1,331,823	681,411	9,324,918
DEPRECIATION						
At 1 April 2022	-	2,727,916	-	1,241,572	510,204	4,479,692
Charge for year	-	241,970	-	76,094	44,259	362,323
Eliminated on disposals	-	(5,404)	-	(39,832)	(14,238)	(59,474)
At 31 March 2023	-	2,964,482	-	1,277,834	540,225	4,782,541
NET BOOK VALUE						
At 31 March 2023	40,005	4,307,197	-	53,989	141,186	4,542,377
At 31 March 2022	22,276	4,178,457	-	112,235	109,362	4,422,330

Included in tangible fixed assets are assets totalling £343,960 in relation to the Guildford Project which are not being depreciated as at 31 March 2023.

19. FIXED ASSET INVESTMENTS

Group	Listed Securities £
Market value	
At 1 April 2022	610,329
Revaluations	9,953
At 31 March 2023	620,282
Historical cost	175,000

The listed securities are all held in unit trusts limited on the UK Stock exchange

Charity	Listed Securities £	Shares in group undertakings £	Total £
Market Value			
At 1 April 2022	610,329	2	610,331
Revaluations	9,953	0	9,953
At 31 March 2023	620,282	2	620,284
Historical cost	175,000	2	175,002

The Charity owns the whole of the issued share capital of the Borough of Havant Sport and Leisure Trading Limited, a company incorporated in England and Wales which carries on the business of running a café. The investment, which consists of 2 ordinary shares of £1 each, is shown at cost. In the opinion of the Trustees, the aggregate value of the shares in and amounts owing from the company's subsidiary is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet. The activities and results of this company are summarised in note 5.

20. STOCKS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Catering supplies	7,411	7,917	-	-

21. CURRENT ASSET INVESTMENT

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash on deposit between 3 and 12 months	1,515,798	1,745,694	1,515,798	1,745,694

22. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	42,066	21,826	37,274	18,623
Prepayments and accrued income	155,333	129,035	154,992	129,035
Other debtors	-	-	-	-
Amounts owed by group undertakings	-	10,000	-	13,869
	197,399	160,861	192,266	161,527

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	185,653	113,094	175,966	103,067
Social security and other taxes	61,100	43,096	49,961	37,431
Other creditors	5,079	11,198	5,079	11,198
Finance leases	49,442	42,110	42,110	42,110
Amounts owed to group undertakings	-	-	19,742	18,624
Accruals and deferred income	232,431	179,867	230,990	176,169
	533,705	389,365	523,848	388,599

DEFERRED INCOME

Deferred income comprises advance bookings of fitness classes, swimming lessons and parties that take place after the year end.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Brought forward	59,303	42,683	59,303	42,683
Amount released to incoming resources	(59,303)	(42,683)	(59,303)	(42,683)
Amount deferred in year	105,532	59,303	105,532	59,303
Carried forward	105,532	59,303	105,532	59,303

24. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Finance leases	17,794	47,784	5,108	47,784
	17,794	47,784	5,108	47,784

25. STATEMENT OF FUNDS

	Brought forward 1 April 22 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (losses) £	Carried forward 31 March 23 £
DESIGNATED FUNDS						
Operational reserve	-	-	-	-	-	-
Improvement reserve	1,561,769	-	-	(888,300)	-	673,469
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	80,000	-	-	70,000	-	150,000
Fixed asset reserve	4,422,330	-	-	(134,237)	-	4,288,093
Guildford project reserve	-	-		888,300		888,300
	6,264,099	-	-	(64,237)	-	6,199,862
GENERAL FUNDS						
General reserve	388,806	5,359,714	(5,422,051)	89,457	9,953	425,880
Pension reserve	(1,119,000)	118,000	(158,000)	-	1,016,000	(143,000)
Total unrestricted funds	5,533,905	5,477,714	(5,580,051)	25,220	1,025,953	6,482,742
RESTRICTED FUNDS						
WLC Extension fund	182,863	-	(8,708)	(17,416)	-	156,739
GP Referral training grant	460	-	-	(460)	-	-
Refurbishment project fund	150,527	-	(3,672)	(7,344)	-	139,511
Disabled changing room fund	11,980	-	(867)	-	-	11,113
Community Against Cancer Fund	-	1,241	(266)		-	975
Total restricted funds	345,830	1,241	(13,513)	(25,220)	-	308,338
Total of funds	5,879,735	5,478,955	(5,593,564)	-	1,025,953	6,791,080

Comparatives for movement in funds

	Brought forward 1 April 21 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (losses) £	Carried forward 31 March 22 £
DESIGNATED FUNDS						
Operational reserve	550,000	-	-	(550,000)	-	-
Improvement reserve	2,044,326	-	-	(482,557)	-	1,561,769
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	10,000	-	-	70,000	-	80,000
Fixed asset reserve	4,322,497	-	-	99,833	-	4,422,330
	7,126,823	-	-	(862,724)	-	6,264,099
GENERAL FUNDS						
General reserve	(391,783)	4,396,808	(4,545,886)	862,724	66,943	388,806
Pension reserve	(1,630,000)	113,000	(170,000)	-	568,000	(1,119,000)
Total unrestricted funds	5,105,040	4,509,808	(4,715,886)	-	634,943	5,533,905
RESTRICTED FUNDS						
WLC Extension fund	182,863	-	-	-	-	182,863
GP Referral training grant	460	-	-	-	-	460
Refurbishment project fund	150,527	-	-	-	-	150,527
Disabled changing room fund	11,980	-	-	-	-	11,980
Total restricted funds	345,830	-	-	-	-	345,830
Total of funds	5,450,870	4,509,808	(4,715,886)	-	634,943	5,879,735

The designated funds consist of:

Operational reserve:
Funds set aside to meet any shortfall between the anticipated income and budgeted outgoings and any unforeseen expenditure. It will also be available to assist in the funding of new activities not foreseen in budgets.

Improvement reserve:
Funds set aside for future projects, these amounts have been funded from cash surpluses generated in the year. Some projects still require additional funds.

Life cycle programme reserve:
A programme run by the Charity for the continuing refurbishment of the leisure centres.

LGPS deficit reserve:
Funds set aside to pay off LGPS deficit.

Fixed assets reserve:
The value of unrestricted funds represented by tangible fixed assets owned and used by the Charity for leisure activities.

The restricted funds consist of:

WLC extension fund:
The S106 contribution passed on by Havant Borough Council to partly fund the building of the Waterlooville extension. The balance represents the unamortised value of works funded by this contribution.

Refurbishment projects fund:
This fund relates to remedial works and improvements to buildings and facilities funded by a capital grant in previous years. The remaining balance represents the unamortised element of the works funded by the grant.

Disabled changing room fund:
This fund relates to conversion works to create a disabled changing room facility funded by a capital grant in previous years. The remaining balance represents the unamortised element of the capital work funded by the grant.

Other small grants - represents income received in the year to fund small projects. This funding was spent on the relevant activities in the year.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	4,576,854	-	4,576,854
Fixed asset investments	-	620,282	-	620,282
Current assets	977,379	1,002,726	308,338	2,288,443
Creditors due within one year	(533,705)	-	-	(533,705)
Creditors due after one year	(17,794)	-	-	(17,794)
Provisions for liabilities and charges	(143,000)	-	-	(143,000)
	282,880	6,199,862	308,338	6,791,080

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Net income/(expenditure)	(104,655)	(139,135)	(102,428)	(165,049)
Adjustments for:				
Depreciation charges	367,104	421,470	362,323	419,946
Losses/(gains) on investments	(9,953)	(66,941)	(9,953)	(66,941)
(Profit)/loss on disposal of fixed assets	5,130	3,608	5,130	3,428
Interest received	(13,750)	(16,857)	(13,750)	(16,855)
(Increase)/Decrease in stock	506	(2,349)	-	-
(Increase)/Decrease in debtors	(36,538)	121,955	(30,739)	122,285
Increase/(Decrease) in creditors	137,008	84,789	135,249	87,460
FRS17 adjustment	40,000	57,000	40,000	57,000
	384,852	463,540	385,832	441,274

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash at bank and in hand	567,835	487,282	551,320	452,018
	567,835	487,282	551,320	452,018

29. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,000 (2022: £27,000). Contributions totalling £Nil (2022: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a final salary defined benefit pension scheme.

The company participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. Three members of staff are members of the scheme, which is closed to new members. The Trustees are monitoring the potential impact of the final employee leaving the scheme and the liability crystallising.

The most recent valuation was carried out as at 31 March 2022, and has been updated by independent actuaries to the Hampshire County Council Pension Fund (the Fund) to take account of the requirements of FRS102 in order to assess the liabilities of the Fund. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The assets and liabilities of the scheme at 31 March are:

	2023 £	2022 £
Scheme assets at fair value		
Equities	2,232,000	2,337,000
Government bonds	639,000	755,000
Multi asset credit	-	386,000
Cash	43,000	38,000
Property	263,000	289,000
Other	697,000	390,000
Fair value of scheme assets	3,874,000	4,195,000
Present value of scheme liabilities	(4,017,000)	(5,315,000)
	(143,000)	(1,120,000)

The pension plan has not invested in any of the Charity's own properties or other assets used by the group.

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	(17,000)	(50,000)
Net interest on defined benefit liability	(30,000)	(34,000)
Total recognised in net income	(47,000)	(84,000)
Asset gains/(losses) arising during the period	(270,000)	207,000
Liability gains/(losses) arising during the period	1,286,000	361,000
Total recognised in other comprehensive income	1,016,000	568,000

	2023	2022
Main assumptions:	%	%
Discount rate	4.7	2.7
CPI Inflation assumption	2.7	3.0
Pension increases	2.7	3.0
Pension accounts revaluation rate	2.7	3.0
Salary increases	3.7	4.0
Post-retirement mortality:		
Current pensioners at 65 - male	23.3	22.9
Future pensioners at 65 - male	23.8	24.7
Current pensioners at 65 - female	25.7	25.4
Future pensioners at 65 - female	26.7	27.1

The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2040.

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

	2023	2022
	£	£
Opening defined benefit obligation	5,315,000	5,884,000
Current service cost	17,000	50,000
Interest expense on defined benefit obligation	141,000	120,000
Contributions by scheme participants	2,000	12,000
Benefits paid	(172,000)	(390,000)
Actuarial losses/(gains)	(1,286,000)	(361,000)
Closing defined benefit obligation	4,017,000	5,315,000

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

	2023	2022
	£	£
Opening fair value of scheme assets	4,195,000	4,253,000
Remeasurement (losses)/gains	(270,000)	207,000
Interest income on assets	111,000	86,000
Contributions by employers	8,000	27,000
Benefits paid	(172,000)	12,000
Contributions by scheme participants	2,000	(390,000)
Closing defined benefit obligation	3,874,000	4,195,000

30. OPERATING LEASE COMMITMENTS

Group
At the balance sheet date, the group had annual commitments for equipment under non-cancellable operating leases as follows:

	2023	2022
	£	£
Less than 1 year	96,257	9,806
Between 1 and 2 years	96,257	9,633
Between 2 and five years	168,415	19,115
More than 5 years	-	-
	360,929	38,554

31. SUBSEQUENT EVENTS

During the 2022/23 financial year, Horizon has focused on opportunities for growth, investment and shaping our health and wellbeing strategy, all of which underpin our vision to empower communities to lead happier, healthier lives. Through our evolving partnership with Havant Borough Council the first Wellbeing Hub was launched in June 2023. Located in the Meridian Centre shopping centre in Havant, the Hub provides health checks and support for local people who are taking their first steps to a healthier lifestyle. The project was supported with £30,000 Section 106 funding from Havant Borough Council. The second new wellbeing facility is located in Merrow Guildford and offers high quality health and fitness facilities, Spa, and a pool facilities. Horizon Guildford has achieved around 60% of its target membership by August 2023, and is on target to make a surplus in the 2024/25 financial year. A designated reserve is in place to value of £888,300 at the 23/24 year end.

32. CAPITAL COMMITMENTS

As at 31 March 2023, there was £596,694 committed in relation to the Guildford Project.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

England & Wales - Charity number 1060896

Accounts

Horizon Leisure Centres

Annual Report 2021/22

Borough of Havant Sport and Leisure Trust

(A company limited by guarantee)

Company Registration No. 03319069 (England and Wales)
Charity Registration No. 1060896

Directors' report and financial statements

For the year ended 31 March 2022

Contents

TRUSTEES' REPORT 1
AUDITOR'S REPORT 11
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 15
CONSOLIDATED AND COMPANY BALANCE SHEET 16
CONSOLIDATED CASH FLOW STATEMENT 17
NOTES TO THE FINANCIAL STATEMENTS 18

TRUSTEES' REPORT

Report of the Trustees for the year ending 31 March 2022

The Trustee Board of the Borough of Havant Sport and Leisure Trust ('the Charity') are pleased to present their annual report and consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2022. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our purposes and activities

The purposes of the Charity are:

- to provide fully inclusive access at affordable prices to sport and leisure facilities; and
- to help improve the health and well-being of the community

The principal object of the Charity is the provision of services and facilities for recreation, physical and other education, or leisure time occupation in the interests of social welfare. The Charity's vision is 'Inspiring healthier, happier communities' and Horizon is committed to providing best value leisure centres accessible to all.

The principal activity of the subsidiary undertaking is the provision of food and beverages in leisure centres operated by the Charity and for profits to be donated to the Charity annually.

The strategies employed to achieve The Charity's aims and objectives are to:

- provide quality leisure and sport facilities;
- allow inclusive access to all members of the community;
- offer a varied programme of activities (sporting and non-sporting) which encourages use of the Centres by all sections of the community; and
- provide activities at prices affordable to members of the community.

Impact of Covid-19

The coronavirus global pandemic (Covid-19) began to impact the UK in early 2020. The UK Government instructed many business sectors including leisure centres to close to help stop the spread of the virus on 20th March 2020. Custom slowed considerably a few weeks before the forced closure and this affected revenue throughout 2020/21.

During this unprecedented period, the implications on the business, its customers and employees was extraordinary. In the financial year 2020/21 the business was closed for eight and a half months and partially open, in accordance with Government instructions and reduced capacities, for the remaining months. Eventually, the centres were allowed to reopen on a phased basis on the 12th April 2021 having first met the Government's Covid-secure opening guidelines, with more facilities allowed to reopen on the 17th May 2021.

As a fee-charging charity, the organisation's income reduced to zero during the months of closure, yet most costs continued, although some through agreement, were frozen or delayed.

During the lockdown, the Charity furloughed over 95% of its workforce under the coronavirus job retention scheme in order to help minimise costs. Fifteen members of staff continued to work remotely although this reduced to just six at times. The Charity's Trustee Board initially assessed the impact of the closure on the business and subsequently agreed a business recovery plan and later a reopening strategy. The Board's policy was to survive and to remain viable over the long-term.

Surpluses made from previous years were set aside in reserves to reinvest in capital projects. The Charity had managed to accrue reserves of £3.9M, including £2.2M set aside for a further extension to the Waterlooville Leisure Centre, as at the 31st March 2020 but fortunately had not committed to any construction contracts before the pandemic struck. The Board moved swiftly to re-purpose its unrestricted and designated reserves away from the extension to support and sustain the Charity through the Covid-19 crisis.

The financial statements show that in 2020/21 the Charity made a cash loss of £971,019 (accounting loss of £1.2M) resulting in the cash reserves reducing to £2.8M as at 31st March 2021. Although the centres gradually returned to normal operating mode, a loss of membership, customer' confidence to return, and reduced capacities for all activities meant that a further operating loss was forecast for 2021/22, which would further deplete reserves. Importantly, the reserves would enable the Charity to re-build the business and remain a going concern over the medium to long term, unlike many others similar organisations in the sector.

Due to the devastating impact of the pandemic on the normal operation of the Charity over 2020/21, most of the information contained in the Trustee report this year will be significantly affected by the centre closures and will not enable comparisons to be made with previous years.

Facilities

The Charity operates two leisure centres - one at Havant and one at Waterlooville. Both centres are owned by Havant Borough Council and are provided rent-free. The original 30-year leases commenced in 1997 were renegotiated in 2014 and extended until 2042 following major capital investment in the centres by the Charity. The extended lease period has enabled the Charity to take a longer-term approach to major capital investment in the centres. Horizon is wholly committed to the long-term partnership with Havant Borough Council and the use of the facilities support the delivery of Horizon's Corporate Strategy.

Pre-pandemic, the Charity provided 32 facilities and 141 activities within the two leisure centres.

Both leisure centres have large, well-equipped gyms, studios, 25m swimming pools, learner pools, creche, and coffee shop facilities. In addition, Havant has two sport halls, a large indoor soft play centre, a cycle studio, and toning table studio.

Programmes

The Charity offers a wide range of activities to the community, covering all-age groups with the most popular being gym, exercise classes, and swimming. Many of these focus on members of the public who already have an interest in fitness. There is also a range of targeted activities for specific groups of users who were previously less engaged by leisure centres..

In addition to swimming lessons, both leisure centres run activities for customers with additional needs including dedicated sessions in the play centre and in the swimming pools.

There are many activities for toddlers, children, and teenagers to access, which are either booked in advance or turn-up-on-the-day sessions. There are sessions to encourage parents to bring their pre-school children to join in with fun activities including gymnastics, trampolining, and inflatable sessions in the swimming pools. The gyms offer Teen Workout Sessions allowing teenagers to use the gym equipment under instructor supervision. These activities are all valuable in supporting the Government's target to reduce obesity and tackle inactivity and Sport England's 10-year strategy, 'Moving Communities'.

The Charity provides a range of activities for customers aged 50 and over. These include the opportunity to be part of the 50+ Sports and Social Club at Havant Leisure Centre. The Club meets during the morning each week for activities which include badminton, table tennis, exercise classes, and squash as well as access to the gym. In addition, there is a social side with a Club Committee that arranges social events, excursions, and holidays.

In addition to the activities the Charity offers directly, approximately 100 local clubs and schools hire space in the leisure centres, providing an even more varied programme to the community.

Price and pricing policy

To meet its charitable objects, the organisation must also have a commercial focus to ensure it creates a surplus to reinvest in its activities and facilities and remains financially sustainable in a highly competitive leisure market. There are a variety of alternative facilities for the community to use from high-end, membership fee clubs to low budget 24-hour gyms. The Charity's membership prices are based on providing 'best value' to the community. This means providing high quality facilities, equipment, and services for a price that is affordable for the majority of the community.

The Charity's pricing policy is aligned to its strategic objectives and aims to provide enjoyable, accessible, and affordable leisure services as well as inspiring healthier, happier communities.

Although there is a range of memberships attractive to regular users there are also Pay-As-You-Go options available for casual users or those who do not want to commit to a membership term. The centres are open to all.

A full review of admission prices is carried out annually, but prices are monitored throughout the year to ensure the Charity is still offering best value on all its services, while remaining a sustainable business.

Details of programmes, activities, opening times, and prices can be viewed on our website www.horizonlc.com

2021/22 Achievements

Horizon Leisure Centres' main focus has been the recovery of services affected by the pandemic and subsequent closures. However, whilst the period has been challenging since reopening in April 2021, the focus remains around community benefit, and provision of services for local people. Horizon Leisure Centres are working closely with Havant Borough Council such that our mutual aims can be realized to get the communities active. Some of the key achievements in the 2021/22 financial year are as follows:

- A key service for local parents has been the introduction of the creche facility at Waterlooville Leisure Centre. The service forms part of the leisure membership and provides invaluable support for parents wishing to stay active. The feedback since the creche was introduced has been excellent.

- In terms of diversity, Horizon also offer three weekly sessions for customers aged over 50, which seems to be recovering well. The sessions are supported by a committee. As well as sports hall activities, the group offers social value such as promoting days out and the opportunity to socialise both and outside of the leisure centre.

- Horizon offers a weekly supportive swim session and sports hall activities for customers with specific support needs. Coupled with a targeted Dementia Cricket session, these activities reflect Horizon's commitment to encourage participation with less engaged groups.

- To ensure we break down barriers to participation in physical activity, Horizon offers classes as part of Sport England's 'This Girl Can' campaign. The advertising and classes break down the stigma linked to particular body shapes and exercise – the campaigns have been hugely successful and attendance figures for the classes continue to increase.

Compared to 2020/21 and 2021/22, Horizon's recovery following the pandemic has been strong with membership numbers climbing month on month. Similarly, the Swim School figures are now the highest they have been on record, with growth of over 500 children on the programme since March 2022 (2,700 total across both Havant Leisure Centre and Waterlooville Leisure Centre).

With a new Chief Executive, a passionate Board of Trustees, and an ambitious five-year strategy, there is a new focus and clarity of purpose across the organisation. It is envisaged that the business performance will continue to recover and exceed pre covid levels.

Having introduced a more commercial approach across key business areas, Horizon will achieve a positive surplus that can be reinvested, therefore, providing greater community benefit. There has also been a strong focus on community and health programmes, which has increased our impact, and these activities will be integral to our wider five-year strategy and continued partnership and shared aims and vision with the Council.

Recent and future plans

In 2021/22 the number of visits to the centres was 824,166, which is an average of 2,258 visits per day. Between April 2022 and August 2022 the number of visits was 422,605, which is an average of 2762 per day (a 22% increase). With changes to the Board of Trustees, a new Chief Executive, an ambitious five-year strategy, and a partnership with Havant Borough Council that has never been stronger, Horizon Leisure Centres continues to increase its impact across both centres, including:

- **Memberships:** Relaunching the health and fitness membership offer, which incorporates greater choice for our customers. This included the introduction of family and junior memberships, providing excellent value for money.

- **Community Engagement:** To focus on community engagement, Horizon have recruited a Community Health and Wellbeing Manager. This new post has been tasked with providing greater community benefit through targeted health programmes and more collaborative work with health and community partners. Horizon have recently been commissioned to deliver a cancer prehabilitation project in partnership with University Hospital Southampton. In addition, we are working with Havant and East Hants MIND to deliver a community-based activity project for residents with mental health conditions.

- **Horizon Community Card:** Horizon introduced a concessionary pricing scheme in July 2022. The targeted pricing policy offered families on lower incomes up to 40% discount on activities.

- **Outdoor Activities:** Over Summer 2022, Horizon took activity programmes out of the centres and into parks and open spaces. To encourage greater participation in physical activity, we delivered two outdoor bootcamps for families and children. The sessions were popular, attracting members of the community who may not exercise regularly or consider visiting a leisure centre or gym.

- **Free and Active:** As the cost-of-living crisis takes hold in the UK, Horizon is conscious that leisure and wellbeing activities during the school holidays are a challenge for lower-income households. Therefore, throughout the 2022 summer holiday period, Horizon provided free swimming and sports hall activities for children aged 5-16 years. The aim was to encourage young people into positive activities and to stay healthy, while removing the cost to parents. Over the six-week Summer holiday period, over 7,000 children participated in the sessions.

- **Horizon Health Hub:** Horizon are planning to lease a retail unit in the local shopping centre in Havant to deliver health checks for local people. Working closely with Havant Borough Council, the aim is to better connect with residents of the Borough and encourage them into a more active lifestyle. Data from Sport England shows that over a third of Havant's residents are considered to be inactive, which is closely linked to poor health, and increased pressure on the NHS and local GP practices.

Horizon's Five-Year Strategy

Horizon is in the second year of its five-year strategic plan, which sets out the organisation's direction for the period 2021-2026. The strategic plan underpins the transformation programme, which has mapped out clear objectives to take the organisation from 'Good' to 'Great'. The transformation programme ensures the Leadership Team focus on the delivery of clear and tangible results, and as such, significant progress has been made.

In order to succeed, Horizon has planned to proactively seek out and utilise new opportunities that will benefit the health and wellbeing of the community. The success of the strategy will depend on other factors including stakeholder relationships, such as with our customers, employees, and partners. In terms of partnership, the emphasis has been to develop a strong and sustainable relationship with Havant Borough Council. The partnership was strengthened over the course of 2022 and a more collaborative way of working was established. Several joint initiatives were delivered and, longer term, this will undoubtedly lead to a healthier and more active borough.

In February 2022, the new Chief Executive, Mike Lyons, was appointed to Horizon, with 30 years of experience managing a variety of leisure and culture facilities across the north and south of the UK. He has led two of the largest leisure and cultural trusts in the UK and was responsible for business expansion in Yorkshire, the Midlands, and more recently on the South Coast of England. In line with the five-year strategy, the Chief Executive, the Board of Trustees, and the Leadership Team have ambitious plans for the organisation, including:

- **Waterlooville Leisure Centre Capital Investment (Phase 2)**

Further to presenting to Havant Borough Council a vision for investment in Waterlooville Leisure Centre, Horizon have commissioned Strategic Leisure, a nationally recognised consultant, to undertake a feasibility study and business case to develop the Centre. The aim is to attract more Borough residents to use the facility, but also to greatly enhance the activity mix, making the Centre one of the best leisure facilities in the south of the UK. In terms of the offer, it is proposed to:

- Incorporate 2-3 all-weather pitches, which could be used to deliver a diverse and attractive range of sporting activities.
- Modernise the current health and fitness proposition, to incorporate options for family fitness, possible co-located services, and targeted health programmes.
- Introduce an interactive play zone for young people between 5-16 years of age, which combines fun and movement

- **Business Expansion**

Horizon is wholly committed to improving the health and wellbeing of Havant Borough residents. However, it is also important to recognise that our social impact model can be replicated geographically. When considering our future, we will explore the leisure market for opportunities for growth to demonstrate our ambition and develop an organisation that is sustainable for the future. In 2022, Horizon will develop a Business Expansion Strategy and Gateway Criteria to test the viability of any future proposition. There are key benefits to growth, such as:

- Greater economic benefit to the local area
- Non-domestic rate savings through delivery of charitable services
- Greater economies of scale
- Developing a shared overhead resulting in greater efficiencies
- Creation of a successful operating model, which can be replicated to benefit local people

Reference and administrative details

Charity Number	1060896
Company Number	03319069
Registered Office	Havant Leisure Centre, Civic Centre Road, Havant, Hampshire, PO92AY

Our advisers

	Mazars LLP
Auditors	Merck House, Seldown, Poole, Dorset, BH15 1TW
	National Westminster Bank pie
Bankers	23 West Street, Havant, Hampshire, PO9 1EU
	Blake Morgan
Solicitors	New Kings Court, Tailgate, Chandler's Ford, Hampshire, SO53 3LG
	Aston Lark Ltd
Insurers	Malling House, West Malling, Kent, ME19 6QL

Directors and trustees

The directors of the charitable company (the Charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year-end were as follows:

Key management personnel Borough of Havant Sport and Leisure Trust:

P Reid
P Mellor
J Crouch
P Jones

P Lewis
C W Scott
S Gohl – appointed 28th October 2022
W J Ball – resigned 29th April 2021
P C Crane – resigned 30th September 2021
M Hoare – resigned 10th November 2021
M Toy – resigned 24th June 2022

Secretary

H G Broad – resigned 23rd November 2021
P Lewis – appointed 24th November 2021

Senior Managers

The Leadership Team consists of the following posts:

Chief Executive
Head of Finance
Head of Marketing and Communications
Head of Operations
Head of People and Culture

Manager Structure, Governance and Management

Governing Document

The Borough of Havant Sport and Leisure Trust is a company limited by guarantee, registered with Companies House, set up on 17 February 1997. Its activities are governed by its Articles of Association, which were last amended on 28 April 2022. The Charity is registered with the Charity Commission. The members of the company are the trustees/directors. Each member agrees to contribute £5 in the event of the Charity being wound up.

The Charity has a subsidiary trading company, which is a private limited company. The subsidiary is wholly owned by the charity.

Appointment of trustees

Trustees are appointed on the agreement of the Board following consideration of a CV and formal application. In most cases, a recommendation is made by the Board Chair and the Chief Executive to the Board on suitability following an informal meeting with the applicant, which can be attended by any trustee.

Trustee induction and training

An induction pack is provided to all new directors, which contains relevant information in relation to their roles and responsibilities as charitable trustees as well as information relating to the business of the charity. The induction includes a tour of the facilities operated by the Charity and an introduction to key members of staff.

Formal trustee training is planned annually although trustees can seek assistance from senior management at any time. Topics for training vary from year to year and are democratically agreed. External speakers may be employed where necessary to provide expertise in specialist areas.

Attendance of trustees at annual charity presentations are actively encouraged in order to keep up to date on sector developments.

Organisation

The governing body of the Charity is the Trustee Board, which currently comprises seven trustees, and meets on a monthly basis although additional meetings may be called when required .

A Chief Executive is appointed by the trustees to implement strategy and manage the day-to- day operations of the Charity.

Related parties and co-operation with other organisations

Related parties

None of the trustees receive remuneration from their work with the charity. Any connection between a trustee or senior manager of the Charity with a supplier must be disclosed to the Board of Trustees. In the current year the Head of Marketing and Communications reported a connection with two suppliers as below. No other related party transactions were reported.

Name	Relationship	Organisation Name	Nature of Interest
Steve Read	Head of Marketing and Communications' brother	Steve Read Photography	Website photography work
Neil Enskat	Head of Marketing and Communications' husband's cousin	NECL - IT	Build the website and Search Engine Optimization retainer

Cooperation with other organisations

The Charity has a close relationship with Havant Borough Council. The Council, who is the landlord of both leisure centres, provide these facilities rent-free and provides a 20% discretionary relief on national non-domestic rates bills. The Charity and the Council are considering the scope of a rewrite of the leases and partnership agreement in 2022, part of which covers the annual buildings maintenance programme for the centres. The Council does not provide an operational revenue subsidy to the Charity and retains all income derived from the use of the public car park that serves the Havant Leisure Centre.

The Charity's wholly owned subsidiary, the Borough of Havant Sport and Leisure Trading Limited was established to operate cafe and bar facilities and sell leisure goods at both leisure centres. The Borough of Havant Sport and Leisure Trading Limited gift aids its profits to the Charity each year.

Pay policy for senior staff

All appointed trustees are members of the Trustee Board in charge of setting strategy. The Leadership Team comprise the key management personnel of the Charity in charge of implementing strategy, directing and controlling, running and operating the Trust on a day-to-day basis. All trustees give their time freely. Details of trustee's expenses and related party transactions are disclosed in notes 12 and 14 to the accounts.

The remuneration package of the Chief Executive is considered and reviewed on a regular basis by the Remunerations Committee. Occasionally, to assist decision-making and make comparisons with the market, an external specialist is commissioned to review the remuneration and performance of the Chief Executive. The remuneration packages of the rest of the Leadership Team are delegated

to the Chief Executive although reported to the Remunerations Committee. Where individual reviews have not taken place within three months of the end of the financial year then the members of the Leadership Team are included within any annual general staff pay review for the following year approved by the Board.

Risk management

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- The Charity's assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable, and
- the Charity complies with relevant laws and regulations.

As part of the Charity's risk management process, Trustees accept that the internal controls in place are designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

Investment in facilities is crucial if infrastructure integrity and customer demands are to be met and attendances retained. Revenue surpluses are used in the current year or designated for future projects. A regular review of cash reserves and accessibility of cash balances is carried out.

Other non-financial risks arise from the health and safety of customers and employees. These risks are managed by the Charity's Leadership Team, in liaison with the Health, Safety and Facilities Manager, with the brief to ensure provision of a safe and secure environment for customers and staff in order to minimise accidents, injuries, and thefts.

The Charity's Risk Register is updated by the Leadership Team, and a summary of all risks and more detail on the highest ranked red risks are reviewed quarterly by the Trustee Board. Risks are categorised under each Leadership Team member's area using a risk matrix and assessed on impact and likelihood to produce a RAG (red, amber , green) risk rating score before and after mitigation, to rank risks. This helps management to prioritise risks and formulate an action plan to reduce or eliminate them.

Landlord negotiations

As the current assets continue to age, the cost of reactive maintenance will increase year on year. Therefore, a number of solutions are being considered with the Havant Borough Council, to sustain the operation of both Havant and Waterlooville Leisure Centres throughout the contract term. The leases and Partnering Agreement with Havant Borough Council are outdated and consideration is being given to them being rewritten. This work has commenced, and we are progressing in the first instance to a new Heads of Terms. The aim over the coming months is to develop mutually agreeable terms for the future partnership.

In terms of Havant Leisure Centre, its future forms part of a wider regeneration project by Havant Borough Council including the Civic Centre footprint. Whist there is no definitive date for this project, both Horizon and Havant Borough Council are in discussion to map out the mid- and long-term plans for the site. Horizon is wholly committed to the long-term partnership with Havant Borough Council and support the delivery of their five-year Corporate Strategy. Additionally, Horizon are in discussion regarding the creation and implementation of Havant Borough Council's Leisure Strategy.

Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are also the directors of Borough of Havant Sport and Leisure Trust for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees



P Jones
Chairman
Date: 08 December 2022

AUDITOR'S REPORT

Independent auditor's report to the Trustees of the Borough of Havant Sport and Leisure Trust

Opinion

We have audited the financial statements of the Borough of Havant Sport and Leisure Trust (the 'Charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

Further to the Articles of Association section 11, which state the Trustees must comply with records and accounts regulations, and the Governance Framework document section 7.2(g), which states the Trustee Board must approve the annual audited accounts before they are sent to the Charity Commission, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of The Borough of Havant Sport and Leisure Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, non-compliance with implementation of government support schemes relating to COVID-19 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to one-off or unusual transactions.

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

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

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

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Charity'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 Charity's Trustees 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 Charity and the Charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Jonathan Marchant (Dec 9, 2022 13:26 GMT)

Jonathan Marchant (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

Date:

BOROUGH OF HAVANT SPORT AND LEISURE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AS AT 31 MARCH 2022
(including the consolidated income and expenditure account)

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income:							
Income from charitable activities							
Operation of leisure centres	4	3,713,624	-	3,713,624	2,030,927	-	2,030,927
Income from donations	3	621,754	-	621,754	288,768	-	288,768
Income for other trading activities:							
Commercial trading operations	5	157,573	-	157,573	99,310	-	99,310
Investment income	6	16,857	-	16,857	12,536	-	12,536
Total income		**4,509,808**	**-**	**4,509,808**	**2,431,541**	**-**	**2,431,541**
Expenditure:							
Cost of raising funds:							
Commercial trading operations		121,818	-	121,818	91,954	-	91,954
Expenditure on charitable activities:							
Operation of leisure centres	7	3,972,314		3,972,314	3,336,437	-	3,336,437
Donated facilities	7	621,754	-	621,754	288,768	-	288,768
Total expenditure	26	**4,715,886**	**-**	**4,715,886**	**3,717,159**	**-**	**3,717,159**
Net gains/(losses) on investments		66,943	**-**	66,943	121,889	-	121,889
Net income/(expenditure)		**(139,135)**	**-**	**(139,135)**	**(1,163,729)**	-	**(1,163,729)**
Transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses):							
Actuarial (losses) / gains on defined benefit pension schemes	30	568,000	-	568,000	(43,000)		(43,000)
Net movement in funds		**428,865**	**-**	**428,865**	**(1,206,729)**	**-**	**(1,206,729)**
Reconciliation of funds:							
Total funds brought forward		5,105,040	345,830	5,450,870	6,311,769	345,830	6,657,599
Total funds carried forward		**5,533,905**	**345,830**	**5,879,735**	**5,105,040**	**345,830**	**5,450,870**

The notes on pages 18 to 33 form part of these financial statements.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST
Registered number: 03319069
(A company limited by guarantee)

CONSOLIDATED AND COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible fixed assets	**18**	4,423,801	4,693,690	4,422,330	4,690,515
Investments	**19**	610,329	543,388	610,331	543,390
Total fixed assets		**5,034,130**	**5,237,078**	**5,032,661**	**5,233,905**
Current assets					
Stocks	**20**	7,917	5,568	-	-
Investments	**21**	1,745,694	1,330,857	1,745,694	1,330,857
Debtors	**22**	160,861	282,816	161,527	283,812
Cash at bank and in hand	**29**	487,282	626,395	452,018	613,399
Total current assets		**2,401,754**	**2,245,636**	**2,359,239**	**2,228,068**
Liabilities					
Creditors falling due within one year	**23**	(389,365)	(304,576)	(388,599)	(301,137)
Net current assets		2,012,389	1,941,060	1,970,640	1,926,931
Total assets less current liabilities		**7,046,519**	**7,178,138**	**7,003,301**	**7,160,836**
Creditors falling due after more than one year	**25**	(47,784)	(97,268)	(47,784)	(97,268)
Net assets excluding pension liability		**6,998,735**	**7,080,870**	**6,955,517**	**7,063,568**
Defined benefit pension scheme liability	**30**	(1,119,000)	(1,630,000)	(1,119,000)	(1,630,000)
Total net assets		**5,879,735**	**5,450,870**	**5,836,517**	**5,433,568**
CHARITY FUNDS					
Restricted funds	**26**	345,830	345,830	345,830	345,830
Unrestricted funds:					
Unrestricted funds excluding pension liability		6,652,905	6,735,040	6,609,687	6,717,738
Pension reserve		(1,119,000)	(1,630,000)	(1,119,000)	(1,630,000)
Total unrestricted funds	**26**	5,533,905	5,105,040	5,490,687	5,087,738
Total charity funds		**5,879,735**	**5,450,870**	**5,836,517**	**5,433,568**

The financial statements and notes on pages 18 to 33 were approved by the Directors on and signed on their behalf, by:

P Jones, Chairman

08 December 2022

BOROUGH OF HAVANT SPORT AND LEISURE TRUST
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash used in operating activities	**28**	**463,540**	**(1,167,105)**	**441,274**	**(1,075,453)**
Cash flows used in investing activities					
Interest income		16,857	12,536	16,855	12,511
Proceeds on sale of investments		(414,837)	955,024	(414,837)	955,024
Proceeds on sale of fixed assets		-	700	-	700
Purchase of tangible fixed assets		(155,189)	(258,190)	(155,189)	(258,190)
Cash used in investing activities		**(89,629)**	**710,070**	**(111,897)**	**710,045**
Cash flows from financing activities					
Cash inflows from new borrowing		-	-	-	-
Repayment of borrowing		(49,484)	(33,612)	(49,484)	(33,612)
Net cash provided by financing activities		**(49,484)**	**(33,612)**	**(49,484)**	**(33,612)**
Increase/(decrease) in cash and cash equivalents in the year		(139,113)	(490,647)	(161,381)	(399,020)
Cash and cash equivalents at the beginning of the year		626,395	1,117,042	613,399	1,012,419
Cash and cash equivalents at the end of the year	**29**	487,282	626,395	452,018	613,399

The notes on pages 18 to 33 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Borough of Havant Sport and Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of the accounts on a going concern basis

The Charity reported a cash outflow of £188k (£188k on a group basis) from operating activities and investing activities. Overall, there was a cash outflow of £161k for the year (£139k on a group basis).
At the year end the group had negative free reserves totalling (£730k). The designation of funds for future projects and potential shortfalls is considered to ensure the future of the charity. The trustees have reviewed projected income and expenditure for the next twelve months and on that basis the Charity is a going concern.

1.3 Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.4 Income

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

Income represents point of sale receipts and amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

Income from local authority and other grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is accounted for in the period in which the Charity is entitled to receipt.

Income received in advance of a fitness class, swimming lesson or parties is deferred until the criteria for income recognition are met (see note 24).

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated facilities reflect the rateable value of the two leisure centres provided by the local authority for no charge and a 20% discretionary relief provided by the local authority on the National Non-Domestic Rates bill.

1.6 Interest receivable

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

1.7 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 Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific 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 company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

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

1.8 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds comprise the costs of commercial trading including the cafes and goods for resale and their associated support costs.

Expenditure on charitable activities includes costs associated with the running of the leisure centres and include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas, staff costs by time spent and other costs by their usage.

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

1.9 Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include support office costs, finance, personnel, payroll, and governance costs which support the Charity's leisure programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities where applicable. The bases on which support costs have been allocated are set out in note 10.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Substantial assets are reviewed and broken down into component parts where the useful economic life of a component is significantly different to the rest of the asset.

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

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:

Leasehold property consisting of:		
Land and buildings	-	Over the period of the lease
Other components	-	Over 10 - 15 years
Plant & machinery	-	10% - 33% straight line
Income generating equipment	-	20% - 50% straight line
Operational equipment	-	20% - 33% straight line
Assets under construction	-	No depreciation charge

1.12 Investments

(I) Fixed asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(ii) Investments in subsidiaries are valued at cost less provision for impairment.

(iii) Current asset investments include short term highly liquid investments that require more than three months but less than one year notice to withdraw cash.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount due.

1.15 Creditors

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.

1.16 Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. A corresponding liability is recognised for the fair value of the leased asset in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Financial Activities so as to achieve a constant rate of interest on the remaining balance of the liability.

1.17 Pensions

The company operates a defined benefits pension scheme which requires contributions to be made to a separately administered fund. The scheme is closed to new members. A defined contribution pension scheme is available to all employees.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income or expenditure as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Allowance has been made for full indexation on all Guaranteed Minimum Pensions (GMP) for members whose State Pension Age is on or after 6 April 2016.
A McCloud underpin liability has been calculated with the assumption that the underpin applies to 1) all members in service on 1 April 2012 2) members' benefits on reaching retirement (normal or ill health), or on prior withdrawal, and 3) spouse's benefits on death after retirement.
Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

1.18 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating and finance lease commitments

The Charity has entered into leases as a lessee for use of plant and equipment. The classification of such leases as operating or finance lease requires the Charity to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. One lease has been recognised as a finance lease.

Pensions

The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Management have placed reliance on the figures prepared by the work of an expert. Further details are given in note 30.

Fixed Assets

The Charity purchases fixed assets and writes the cost less estimated residual value down over the expected useful life of each asset. Choosing the useful economic life of an asset is a judgement by management that impacts on the financial statements over a number of years. A small variation in the life could have a significant affect on the financial statements. The useful life of the asset is determined in the year of purchase and is based on experience. This is reviewed annually to ensure it is still appropriate.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 7. In the event of the company being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

3. INCOME FROM DONATIONS

	2022 £	2021 £
Donated facilities	621,754	288,768

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022	Restricted Funds 2022	Unrestricted funds 2021	Restricted Funds 2021
	£	£	£	£
Grants from institutions	-	-	-	-
Operation of leisure centres	3,713,624	-	2,030,927	-
	3,713,624	-	2,030,927	-

5. INCOME FROM OTHER TRADING ACTIVITIES

The wholly owned trading subsidiary the Borough of Havant Sport and Leisure Trading Limited is incorporated in the United Kingdom (company number 3406679) and pays all of its profits to the Charity under the gift aid scheme. The subsidiary operates café and bar facilities and sells leisure goods. All commercial trading operations are carried out at the Charity's leisure centres. A summary of the trading results is shown below.

	2022 £	2021 £
Turnover	157,573	20,124
Cost of sales and administration costs	(131,661)	(129,890)
Other operating income	-	79,186
Interest receivable	2	25
Net profit	25,914	(30,555)
Amount gift aided to the charity	-	-
Retained in subsidiary	25,914	(30,555)
The assets and liabilities of the subsidiary were:		
Current assets	65,008	18,738
Current liabilities	(23,262)	(4,610)
Total net assets	41,746	14,128

6. INVESTMENT INCOME

	2022 £	2021 £
Bank interest	16,857	12,536

7. DIRECT COSTS

	Provision of sporting and leisure facilities to the public 2022 £	Total funds 2022 £	Total funds 2021 £
Operational staff	1,524,715	1,524,715	1,406,299
Other finance expense (Note 17)	34,000	34,000	35,000
Equipment and materials	84,950	84,950	59,827
Subcontractors	96,052	96,052	27,953
Premises and equipment maintenance	233,874	233,874	149,447
Repair and replacement fixtures	52,969	52,969	34,183
Energy and utility	352,234	352,234	294,109
Third party support and insurance	71,486	71,486	56,206
Marketing, unrecoverable VAT and other	382,144	382,144	154,881
(Gains)/losses on disposal of fixed assets	2,290	2,290	466
Depreciation	421,086	421,086	398,591
Governance costs	59,279	59,279	44,856
Support costs	657,235	657,235	680,871
	3,972,314	3,972,314	3,342,689
Donated facilities	621,754	621,754	288,768
	4,594,068	4,594,068	3,631,457

Expenditure on charitable activities was £3,972,314 (2021: £3,336,437) of which £3,972,314 was unrestricted (2021: £3,336,437) and £Nil was restricted (2021: £Nil).

8. SUMMARY OF ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This shows the cost of the main charitable activity and the sources of income that directly support those activities.

	Provision of sporting and leisure facilities to the public
	£
Costs	(3,972,314)
Income from sport and leisure facilities	3,713,624
Net income to fund future costs and projects	(258,690)

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs these, along with the remaining support costs, are allocated to the cost of the Charity's key charitable activity. The table below shows the basis of apportionment and the analysis of support and governance costs.

	Basis of apportionment	General support	Governance function	Total
		£	£	£
Audit, legal and professional (Note 11)	Governance	25,233	57,713	82,946
Trustee expenses and indemnity insurance	Governance	-	1,566	1,566
Corporate office staff costs	Allocated on time	580,709	-	580,709
IT and payroll running costs	Invoiced Amounts	51,293	-	51,293
Council pension settlement	Support	-	-	-
		657,235	59,279	716,514

10. TURNOVER

All turnover arose within the United Kingdom.

11. NET INCOMING RESOURCES

This is stated after charging:	2022	2021
	£	£
Depreciation of tangible fixed assets:		
Owned by the charitable group	421,490	362,679
Assets held under finance lease	71,216	71,216
(Surplus)/Loss on disposal of fixed assets	2,290	466
Auditor's remuneration:		
Audit fees	14,850	14,430
Other advice	3,780	3,670
Operating leases - equipment	9,808	12,075

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:	2022	2021
	£	£
Wages and salaries	1,933,520	2,123,791
Social security costs	125,339	105,834
Other pension costs (Note 31)	49,129	52,909
	2,107,988	2,282,534

The number of higher paid employees was:	No.	No.
In the band		
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (CONTINUED)

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

During the year, no trustees received any remuneration (2021 - £NIL).

During the year, no trustees received any benefits in kind (2021 - £NIL).

One trustee received reimbursement of expenses amounting to £500.69 in the current year, (2021: one trustee received £24.08). The amount of expenses waived by other trustees in the year was £500.69.

The key management personnel of the parent charity comprise the trustees, and the senior management team consisting of the Chief Executive, Head of Operations, Head of People and Culture, Head of Finance and Head of Marketing and Communications. The total employee benefits of the key management personnel of the Charity were £315,452 (2021: £219,680).

The key management personnel of the group comprise those of the Charity and the directors of its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited.

13. STAFF NUMBERS

The average monthly head count including casual and part-time staff during the year was as follows

	2022 No.	2021 No.
Management	5	5
Other	137	167
	142	172

14. RELATED PARTIES

In 2021 the following transactions took place between the Charity and its wholly owned subsidiary Borough of Havant Sport and Leisure Trading Limited:

The provision of kitchen facilities at the Waterlooville café and kitchen equipment by the Charity to Borough of Havant Sport and Leisure Trading Limited of £1,084 (2021: £1,084).

The provision of management and administrative services by the Charity to Borough of Havant Sport and Leisure Trading Limited totalling £9,843 (2021: £Nil).

The transfer under gift aid of the trading profits of Borough of Havant Sport and Leisure Trading Limited to the Charity of £Nil (2021: £3,152).

At the balance sheet date Borough of Havant Sport and Leisure Trading Limited owed the Charity £13,869 (2021: £11,173). This represents items paid by the Charity on behalf of Borough of Havant Sport and Leisure Trading Limited which were then repaid at a later date. The most significant costs are wages.

15. GOVERNMENT GRANTS

Income from Government grants comprises project related grants made by Local Authorities to fund specific sport, leisure and health projects run by the Charity.

Government grants relating to the Coronavirus Job Retention Scheme (CJRS) have been received during the year in respect of employee costs incurred for furloughed staff is as follows:

	2022 £	2021 £
Government grants	269,664	1,062,834

16. CORPORATION TAX

As a charity, the Borough of Havant Sport and Leisure Trust benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable to corporation tax on income or gains falling within those exemptions.

17. OTHER FINANCE EXPENSES

	2022	2021
	£	£
Expected return on pension scheme assets	86,000	79,000
Interest on pension scheme liabilities	(120,000)	(114,000)
	(34,000)	(35,000)

18. TANGIBLE FIXED ASSETS

Group	Assets under construction	L/Term Leasehold Property	Plant and Machinery	Income generating equipment	Operational Equipment	Total
Cost						
At 1 April 2021	22,276	6,850,237	37,786	1,389,186	553,003	8,852,488
Additions	-	57,274	-	10,482	87,433	155,189
Disposals	-	(1,138)	(180)	(38,391)	(20,870)	(60,579)
At 31 March 2022	22,276	6,906,373	37,606	1,361,277	619,566	8,947,098
Depreciation						
At 1 April 2021	-	2,488,493	34,610	1,155,106	480,589	4,158,798
Charge for the year	-	239,423	1,524	132,328	48,195	421,470
Transfer to other category	-	-	-	-	-	-
Depreciation on disposals	-	-	-	(38,391)	(18,580)	(56,971)
At 31 March 2022	-	2,727,916	36,134	1,249,043	510,204	4,523,297
Net Book Value						
At 31 March 2022	22,276	4,178,457	1,472	112,234	109,362	4,423,801
At 31 March 2021	22,276	4,361,744	3,176	234,080	72,414	4,693,690

Charity	Assets under construction	L/Term Leasehold Property	Plant and Machinery	Income generating equipment	Operational Equipment	Total
Cost						
At 1 April 2021	22,276	6,850,237	-	1,381,716	553,003	8,807,232
Additions	-	57,274	-	10,482	87,433	155,189
Transfer to other category	-	-	-	-	-	-
Disposals	-	(1,138)	-	(38,391)	(20,870)	(60,399)
At 31 March 2022	22,276	6,906,373	-	1,353,807	619,566	8,902,022
Depreciation						
At 1 April 2021	-	2,488,493	-	1,147,635	480,589	4,116,717
Charge for the year	-	239,423	-	132,328	48,195	419,946
Depreciation on disposals	-	-	-	(38,391)	(18,580)	(56,971)
At 31 March 2022	-	2,727,916	-	1.241,572	510,204	4,479,692
Net Book Value						
At 31 March 2022	22,276	4,178,457	-	112,235	109,362	4,422,330
At 31 March 2021	22,276	4,361,744	-	234,081	72,414	4,690,515

The Charity has recognised some fixed assets that are being purchased under finance leases. The net book value of this equipment at the year-end was £36,636 (2021: £132,025).

19. FIXED ASSET INVESTMENTS

Group	Listed securities £
Market Value	
At 1 April 2021	543,388
Revaluations	66,941
At 31 March 2022	610,329
Historical Cost	175,000

The listed securities are all held in unit trusts listed on the UK Stock Exchange.

Charity	Listed securities £	Shares in group undertakings £	Total £
Market Value			
At 1 April 2021	543,388	2	543,390
Revaluations	66,941	-	66,941
At 31 March 2022	610,329	2	610,331
Historical Cost	175,000	2	175,002

The Charity owns the whole of the issued share capital of the Borough of Havant Sport and Leisure Trading Limited, a company incorporated in England and Wales which carries on the business of running a café. The investment, which consists of 2 ordinary shares of £1 each, is shown at cost. In the opinion of the Trustees, the aggregate value of the shares in and amounts owing from the company's subsidiary is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet. The activities and results of this company are summarised in note 5.

20. STOCKS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Catering supplies	7,917	5,568	-	-

21. CURRENT INVESTMENT

	Group 2022	Group 2021	Charity 2022	Charity 2021
Cash on deposit between 3 and 12 months	1,745,694	1,330,857	1,745,694	1,330,857

22. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	21,826	177	18,623	-
Prepayments and accrued income	129,035	272,639	129,035	272,639
Other debtors	-	-	-	-
Amounts owed by group undertakings	10,000	10,000	13,869	11,173
	160,861	282,816	161,527	283,812

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts falling due within one year	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	113,094	78,942	103,067	78,942
Social security and other taxes	43,096	17,080	37,431	16,829
Other creditors	11,198	21,526	11,198	21,526
Loans due < 1 year	42,110	42,110	42,110	42,110
Amounts owed to group undertakings	-	-	18,624	-
Accruals and deferred income	179,867	144,918	176,169	141,730
	389,365	304,576	388,599	301,137

24. DEFERRED INCOME

Deferred income comprises advance bookings of fitness classes, swimming lessons and parties that take place after 31 March 2021. It also includes the unused element of annual memberships at 31 March 2021 and the income that related to the period 21/03/21 to 31/03/21 when the Leisure Centres were closed by the Government due to COVID-19 pandemic, this income would be rolled forward to 2021/22 or refunded.

	Group	Charity
	£	£
At 1 April 2021	42,683	42,683
Amount released to income	(42,683)	(42,863)
Amount deferred in the year	59,303	59,303
At 31 March 2022	59,303	59,303

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Finance leases (falling due in less than 5 years)	47,784	97,268	47,784	97,268

26. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (Losses) £	Carried forward £
Designated funds						
Operational reserve	550,000	-	-	(550,000)	-	-
Improvement reserve	2,044,326	-	-	(482,557)	-	1,561,769
Life cycle programme reserve	200,000	-	-	-	-	200,000
LGPS deficit reserve	10,000	-	-	70,000	-	80,000
Fixed assets reserve	4,322,497	-	-	99,833		4,422,330
	7,126,823	-	-	(862,724)	-	6,264,099
General Funds						
General Funds	(391,783)	4,396,808	(4,545,886)	862,724	66,943	388,806
Pension reserve	(1,630,000)	113,000	(170,000)	-	568,000	(1,119,000)
	(2,021,783)	4,509,808	(4,715,886)	862,724	634,943	(730,194)
Total unrestricted funds	5,105,040	4,509,808	(4,715,886)	-	634,943	5,533,905
Restricted funds						
WLC Extension fund	182,863	-	-	-	-	182,863
GP Referral Training grant	460	-	-	-	-	460
Refurbishment project fund	150,527	-	-	-	-	150,527
Disabled changing room fund	11,980	-	-	-	-	11,980
Total restricted funds	345,830	-	-	-	-	345,830
Total of funds	5,450,870	4,509,808	(4,715,886)	-	634,943	5,879,735

SUMMARY OF FUNDS	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (Losses) £	Carried forward £
Designated funds	7,126,823	-	-	(862,724)	-	6,264,099
Pension reserve	(1,630,000)	113,000	(170,000)	-	568,000	(1,119,000)
General funds	(391,783)	4,396,808	(4,545,886)	862,724	66,943	388,806
Total unrestricted funds	5,105,040	4,509,808	(4,715,886)	-	634,943	5,533,905
Restricted	345,830	-	-	-	-	345,830
	5,450,870	4,509,808	(4,715,886)	-	634,943	5,879,735

The designated funds consist of:

The improvement reserve balance at the year-end represents funding set aside for future projects. These amounts have been funded from cash surpluses generated in the year. Some projects still require additional funds.

Life cycle programme reserve - a programme run by the Charity for the continuing refurbishment of the leisure centres.

Fixed assets reserve - the value of unrestricted funds represented by tangible fixed assets owned and used by the Charity for leisure activities.

26. STATEMENT OF FUNDS (CONTINUED)

The restricted funds consist of:

WLC extension fund - the S106 contribution passed on by Havant Borough Council to partly fund the building of the Waterlooville extension. The balance represents the unamortised value of works funded by this contribution.

Pool hoist grant - a grant received to help purchase a pool hoist for Havant swimming pool. The balance represents the unamortised value of works funded by the grant received.

Other small grants - represents income received in the year to fund small projects. This funding was spent on the relevant activities in the year.

Refurbishment projects fund – this fund relates to remedial works and improvements to buildings and facilities funded by a capital grant in previous years. The remaining balance represents the unamortised element of the works funded by the grant.

Disabled changing room fund – this fund relates to conversion works to create a disabled changing room facility funded by a capital grant in previous years. The remaining balance represents the unamortised element of the capital work funded by the grant.

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	4,423,801	-	4,423,801
Fixed asset investments	-	610,329	-	610,329
Current assets	825,955	1,229,969	345,830	2,401,754
Creditors due within one year	(389,365)	-	-	(389,365)
Creditors due after one year	(47,784)	-	-	(47,784)
Provisions for liabilities and charges	(1,119,000)	-	-	(1,119,000)
	(730,194)	6,264,099	345,830	5,879,735

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Net income	(139,135)	(1,163,729)	(165,049)	(1,133,172)
Adjustments for:				
Depreciation charges	421,470	403,842	419,946	398,592
Losses/(gains) on investments	(66,941)	(121,889)	(66,941)	(121,889)
(Profit)/loss on disposal of fixed assets	3,608	(234)	3,428	(234)
Interest received	(16,857)	(12,536)	(16,855)	(12,511)
Gift aid from Trading company	-	3,157	-	3,157
Decrease in stock	(2,349)	5,342	-	-
Increase in debtors	121,955	(76,310)	122,285	(58,997)
Decrease in creditors	84,789	(218,978)	87,460	(167,781)
Transfer of funds	-	19,094	-	22,247
FRS 17 adjustments	57,000	(4,865)	57,000	(4,865)
Net cash used in operating activities	463,540	(1,167,105)	441,274	(1,075,453)

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash in hand	487,282	626,395	452,018	613,399
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	487,282	626,395	452,018	613,399

30. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £27,000 (2021: £33,557). Contributions totalling £Nil (2021: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a final salary defined benefit pension scheme.

The company participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. Three members of staff are members of the scheme, which is closed to new members. The Trustees are monitoring the potential impact of the final employee leaving the scheme and the liability crystallising.

The most recent valuation was carried out as at 31 March 2019, and has been updated by independent actuaries to the Hampshire County Council Pension Fund (the Fund) to take account of the requirements of FRS102 in order to assess the liabilities of the Fund. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The assets and liabilities of the schemes at 31 March are:

	2022 £	2021 £
Scheme assets at fair value		
Equities	2,337,000	2,424,000
Government bonds	755,000	736,000
Multi asset credit	386,000	-
Cash	38,000	60,000
Property	289,000	259,000
Other	390,000	774,000
Fair value of scheme assets	4,195,000	4,253,000
Present value of scheme liabilities	(5,315,000)	(5,884,000)
	(1,120,000)	(1,631,000)

The pension plan has not invested in any of the Charity's own properties or other assets used by the group.

30. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Statement of Financial Activities are as follows:

Recognised in the Statement of Financial Activities	2022 £	2021 £
Current service cost	(50,000)	(47,000)
Net interest on defined benefit liability	(34,000)	(35,000)
Total recognised in net income	(84,000)	(82,000)
Taken to other comprehensive income		
Asset gains/(losses) arising during the period	207,000	777,000
Liability gains/(losses) arising during the period	361,000	(820,000)
Remeasurement gains and losses recognised in other comprehensive income	568,000	(43,000)

Main assumptions:	2022 %	2021 %
Rate of salary increases	4.0	3.7
Rate of increase in pension payment	3.0	2.7
Discount rate	2.7	2.1
RPI Inflation assumption	3.0	2.7
CPI Inflation assumption	3.0	2.7
Post-retirement mortality		
Current pensioners at 65 - male	22.9	23.1
Current pensioners at 65 - female	25.4	25.5
Future pensioners at 65 - male	24.7	24.8
Future pensioners at 65 - female	27.1	27.3

The post-retirement mortality assumptions allow for expected increases in longevity. The “current” disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with “future” being that relating to an employee retiring in 2040.

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

	2022 £	2021 £
Opening defined benefit obligation	5,884,000	4,975,000
Current service cost	50,000	47,000
Past service cost	-	-
Interest expense on defined benefit obligation	120,000	114,000
Contributions by scheme participants	12,000	14,000
Benefits paid	(390,000)	(86,000)
Actuarial Losses/(Gains)	(361,000)	820,000
Closing defined benefit obligation	5,315,000	5,884,000

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

	2022 £	2021 £
Opening fair value of scheme assets	4,253,000	3,438,000
Remeasurement (losses)/gains	207,000	777,000
Interest income on assets	86,000	79,000
Contributions by employer	27,000	31,000
Contributions by scheme participants	12,000	14,000
Benefits paid	(390,000)	(86,000)
	4,195,000	4,253,000

31. OPERATING LEASE COMMITMENTS

At the balance sheet date, the group had annual commitments for equipment under non-cancellable operating leases as follows:

Group **Expiry date:**	**2022** **£**	**2021** **£**
Less than 1 year	9,806	9,808
1 - 2 years	9,633	9,591
2 - 5 years	19,115	28,642
	38,554	48,041

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

England & Wales - Charity number 1060896

Accounts

Horizon Leisure Centres

Annual Report 2020/21

Borough of Havant Sport and Leisure Trust

(A company limited by guarantee)

Company Registration No. 3319069 (England and Wales)
Charity Registration No. 1060896

Directors' report and financial statements

For the year ended 31 March 2021

Borough of Havant Sport and Leisure Trust (A company limited by guarantee)

Trading as

Horizon LEISURE CENTRES

Making Life Better!

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

	Page No.
Trustees' Report	1
Auditor's Report	13
Consolidated Statement of Financial Activities	17
Consolidated and Company Balance Sheets	18
Consolidated Cash Flow Statement	19
Notes to the Financial Statements	20

Report of the trustees for the year ending 31 March 2021

The trustees are pleased to present their annual report and consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our purposes and activities

The purposes of the charity are:

- to provide fully inclusive access at affordable prices to sport and leisure facilities; and
- to help improve the health and well-being of the community of the Borough of Havant and surrounding areas.

The principal objective of the charity is the provision of services and facilities for recreation, physical and other education or leisure time occupation in the vicinity of the Borough of Havant in the interests of social welfare. The charity's updated strapline is 'inspiring healthier, happier communities' and is committed to providing best value leisure centres accessible to all.

The principal activity of the subsidiary undertaking is the provision of food and beverages in leisure centres operated by the charity and for profits to be donated to the charity annually.

The strategies employed to achieve the charity's aims and objectives are to:

- provide quality leisure and sport facilities;
- allow inclusive access to all members of the community;
- offer a varied programme of activities (sporting and non-sporting) which encourages use of the Centres by all sections of the community; and
- provide activities at prices affordable to members of the community.

Impact of Covid-19

The coronavirus global pandemic (Covid-19) began to impact the UK in early 2020. The government instructed many business sectors including leisure centres to close to help stop the spread of the virus on 20th March 2020. Custom was slowing down considerably a few weeks before the forced closure and this affected revenue in the final month of 2019/20 and throughout 2020/21.

During this unprecedented period, the implications on the business, its customers and employees has been extraordinary. In the financial year 2020/21 the business was closed for eight and a half months and partially open, in accordance with government instructions and reduced capacities, for the remaining months. Eventually, the centres were allowed to reopen on a phased basis on the 12th April 2021 having first met the governments Covid-secure opening guidelines, with more facilities allowed to reopen on the 17th May 2021.

As a fee-charging charity, the organisation's income reduced to zero during the months of closure yet most costs continued, although some through agreement, were frozen or delayed.

During the lockdown, the charity furloughed over 95% of its workforce under the coronavirus job retention scheme in order to help minimise costs. Fifteen members of staff continued to work remotely although this reduced to just six at times. The charity's Board initially assessed the impact of the closure on the business and subsequently agreed a business recovery plan and later a reopening strategy. The Board's policy was to survive and to remain viable over the long-term.

Surpluses made from previous years have been set aside in reserves to reinvest in capital projects. The charity had managed to accrue reserves of £3.9M, including £2.2M set aside for a further extension to the Waterlooville centre as at the 31st March 2020 but fortunately had not committed to any construction contracts before the pandemic struck. The Board moved swiftly to re-purpose its unrestricted and designated reserves away from the extension to support and sustain the charity through the Covid-19 crisis.

The financial statements show that in 2020/21 the charity made a cash loss of £971,019 (accounting loss of £1.2M) resulting in the cash reserves reducing to £2.8M as at 31st March 2021. Although the centres are gradually returning to normal operating mode, through a carefully managed process aimed at providing assurance to its customer base, a loss of membership and confidence of customers to return and reduced capacities for all activities means that a further operating loss is forecast for 2021/22, this will further deplete reserves. Importantly, the reserves will enable the charity to re-build the business as defined in its 2021 Strategic Plan and remain a going concern over the medium to long term.

Due to the devastating impact of the pandemic on the normal operation of the charity over 2020/21, most of the information contained in the trustee report this year will be significantly affected by the centre closures and will not enable comparisons to be made with previous years or provide meaningful updates.

Facilities

The charity operates two leisure centres - one at Havant and one at Waterlooville. Both centres are owned by Havant Borough Council and are provided rent-free. The original 30-year leases commenced in 1997 were renegotiated in 2014 and extended until 2042 following major capital investment in the centres by the charity. The extended lease period has enabled the charity to take a longer-term approach to major capital investment in the centres.

Pre-pandemic, the charity provided 32 facilities and 141 activities within the two leisure centres.

Both leisure centres have large, well-equipped gyms, studios, 25m swimming pools, learner pools, and cafes. In addition, Havant has two sport halls, a large indoor soft play centre, a cycle studio, toning table studio and creche.

During the year and in order to accommodate social distancing and reduced activity capacities, the large indoor soft play centre was decommissioned. The play frame was dismantled and placed into storage and the room was repurposed for use as a group exercise studio. The exercise studio previously situated in the gym at Waterlooville was demolished to enable gym equipment to be spread out to create more space for gym-goers.

A major refurbishment of the wet-side changing rooms, staff room, offices and toilets at Havant Leisure Centre, which started in late 2019, was able to be completed during the first national lockdown.

Programmes

The trustees intend for the charity to return to its full range of programmes in the year subject to meeting viability criteria.

The charity offers a wide-range of activities to the community, covering all-age groups with the most popular being gym, exercise classes and swimming. Many of these focus on members of the public who already have an interest in fitness. There is also a range of targeted activities for specific groups of users.

Special activities are provided to certain user-groups and campaigns aimed at targeted audiences are provided in conjunction with the local authority, who are able to access and provide certain levels of funding. Examples here include 'new direction' aimed at encouraging inactive women back to fitness and dementia cricket.

In addition to swimming lessons both leisure centres run activities for additional needs customers including dedicated sessions in the play centre and in the swimming pools. Havant also hosts a cricket club, badminton club and multi sports club.

There are many activities for toddlers, children and teenagers to access, which are either pre-bookable or turn-up-on-the-day sessions. There are sessions to encourage parents to get their pre-school children to join in with fun activities. They can then progress to gymnastics and trampolining activities or join in with inflatable sessions in the swimming pools. The gyms offer Teen Workout Sessions allowing teenagers to use the gym equipment under instructor supervision. These activities are all valuable in supporting the Government's target to reduce obesity and tackle inactivity and Sport England's new 10-year strategy, 'moving communities'.

The charity provides a range of activities for customers aged 50 and over. These include separate swimming lanes and the opportunity to be part of the 50+ Sports and Social Club at Havant Leisure Centre. The Club meets three mornings a week and activities include badminton, table tennis, exercise classes and squash as well as access to the gym. In addition, there is a social side with a Club Committee that arranges social events, excursions and holidays.

In addition to the activities the charity offers directly, approximately 100 local Clubs and Schools use the leisure centres as a base providing an even more varied programme to the community.

Due to the pandemic, facilities and activities have been phased back in accordance with government guidelines. The charity invested heavily in ensuring the centres were fully compliant with the Covid-secure safety measures before reopening. Sanitising stations were installed throughout the buildings, one-way traffic flow systems installed and capacities were significantly reduced to ensure social distancing was maintained. In addition, most activities had to be pre-booked due to the limitations in capacities which enabled a track and trace record system to be deployed. The most expensive guideline to address was ventilation. Most of the plant, air handling and air conditioning systems which are aged, required testing and in most cases repairs or replacement parts before fresh air flow rates could be met.

Price and pricing policy

Although a charity, the organisation must have a business focus to ensure it remains financially sustainable in a highly competitive leisure market. There are a variety of alternative facilities for the community to use from high end, high membership fee clubs to low budget 24-hour gyms. The charity's membership prices are based on providing 'best value' to the community and encouraging inclusivity. This means providing high quality facilities, equipment and services for a price that is affordable for the majority of the community.

The charity's pricing policy is aligned to its corporate objectives and endeavours to provide enjoyable, accessible and affordable leisure services to the communities of Havant and Waterlooville and surrounding areas.

Although there is a range of memberships attractive to regular users there are also Pay-As-You-Go options available for casual users or those who do not want to commit to a membership term. The centres are open to all. The cost of the main inclusive membership has been frozen for the 9th year in a row despite significant investment in the centres and significant increases in running costs. This has been made possible as membership levels have increased. Pre-pandemic, the charity enjoyed its highest ever membership level.

The charity has a range of concessionary rates including family swim tickets, discounted rates for juniors, seniors and additional needs swimmers and reduced rates on sports activities for juniors. Free swimming is available to children under the age of 3.

A full review of admission prices is carried out annually, but prices are monitored throughout the year to ensure the charity is still offering best value on all its services.

Details of programmes, activities, opening times and prices can be viewed on our website www.horizonlc.com

Achievements and performance

In the last complete year before the pandemic (2019/20), the charity hosted 1.15 million visits to the two centres, which is an average of 3,150 visits per day. To provide some context and a stark comparison with the attendances received during 2020/21, the centres hosted only 172,000 visits during the 15-weeks the centres were open (1,638 average per day).

Arguably, the charity's greatest achievement over the year was to survive the impact of the economic downturn and closures of the centres over most of the year. The charity complied with all Covid-secure government and industry guidelines for re-opening, treated its customers and members with respect and sensitivity and looked after its employees with care and compassion.

The core members of the leadership team supported by a few other key members of the team continued to work throughout the pandemic in order to keep the business afloat and put in place all the safety measures, risk assessments and new and adapted policies required by the government and national sporting umbrella bodies. Adapting two large multi-purpose leisure centres into safe and secure environments for use by customers and staff was a huge challenge which the team successfully met. **The Board would like to express its thanks and appreciation to the whole team for their efforts and commitments over this challenging period.**

Financial review

The consolidated accounts of the Borough of Havant Sport and Leisure Trust and the Borough of Havant Sport and Leisure Trading Limited show a deficit. The accounting deficit generated by the group in the period to 31 March 2021 amounted to £1,206,729 (2020: deficit £590,682, 2019: surplus £1,055,020).

The accounts show that the income received from charitable and commercial activities in 2020/21 amounted to £2,130,237 compared to £5,547,212 received in 2019/20. The 2020/21 figure also includes furlough and grant income of £1,135,955 so actual operational income was only £994,282 and reflects the difficult year the charity had to contend.

Despite the pandemic, the charity's investments (unit trusts) grew by £121,889 during the year due to the improvements in the stock market.

Expenditure during the year also fell significantly from £4,982,400 (excluding an extraordinary payment) in 2019/20 to £2,417,493 (excluding furlough payments) in 2020/21. The Coronavirus Job Retention Scheme (CJRS) introduced by the government and known as furlough, was a vital support to the charity, helping it minimise operational losses. With the centres closed for most of the year, the charity furloughed most of its workforce, only keeping on essential roles.

Additionally, the charity undertook a major restructuring programme as the furlough scheme was originally coming to an end in October 2020. As the programme was likely to result in redundancies, it was incumbent on the charity to ensure that all rules and regulations relating to consultation and the termination of employment contracts were closely followed. The process, which took almost 2-months to complete, was stressful for all those involved. All casual employed staff had their contracts terminated and approximately 35 permanently contracted staff were made redundant through either voluntary or compulsory channels. With the centres closed and no work to offer staff, the charity reluctantly had little choice but to take the action it did.

The Trust's wholly owned trading subsidiary company set up to provide bar and catering services reported a trading loss in its own accounts of £30,555 (2020: profit £2,340). Normally, the business would make a profit, the majority of which will be passed onto the charity through a gift aid donation.

Rather than consider the trading company as a self-contained business, the Board views the services provided by the trading subsidiary as an essential support service to enhance the leisure customer's visit to the centre as a whole. To date, the two main cafes have not reopened although counter services have been provided at peak times only at each centre along with vending machines. The trading company's Board will be considering the future operations of the business in the near future.

Given the closure of the centres and trading conditions over the past year, the trustees are satisfied with the efforts made to maintain business viability and that the charity's assets are available and adequate to meet the obligations of the charity in the foreseeable future. The extended leases that are in force until 2042 has allowed the charity to focus on long term investment.

Investment powers and policy

The charity has several unit trust funds, which are monitored regularly by the charity's Board of Management. The unit trusts are viewed as a medium to long-term investment.

The liquidity requirements of the charity are reviewed regularly and a balance is set between having accessible funds and maximising interest earned. Cash balances are held in both instant access and longer-term interest-bearing deposit and building society accounts to allow access to cash as future projects arise. The historically low rates of return mean interest earned is poor. This year an average rate of less than 0.5% was achieved. During the year, some of the cash reserves were liquidated and moved to the current account to support the negative cashflow.

Reserves policy and going concern

Subject to the impact of Covid-19 statement above, the charity's reserve policy is reviewed regularly and adjustments are made to reflect changing circumstances, prioritised capital projects and variations in scheme costs. Currently, the policy comprises three separate reserve funds - an operational reserve, an improvement reserve and a life cycle reserve. A fourth reserve has been set up to identify the value of fixed assets that cannot be converted readily into cash. At 31 March 2021 almost £4,322,497 of unrestricted funds were tied up in fixed assets.

General group cash reserves have been invested in accordance with the reserve policy. Pre-pandemic, the trustees have been satisfied that the operational reserve should be equivalent to 10% of turnover or approximately five weeks of gross operational turnover. This level, equivalent to approximately £550,000, has been included within the operational fund balances. However, this policy is one that will need to be reviewed in light of the significant reduction in turnover since March 2020.

The improvement reserve is essential if the charity is to remain viable, competitive, be able to meet customer demands and support future growth plans. All capital expenditure (except for agreed S106 developer contributions) must be raised by the charity so it is vital that trustees prioritise capital projects in order to maximise benefit from available funds whilst at the same time achieve its charitable objectives. Historically, this reserve will be added to from annual operational surpluses and reduce following expenditure on projects and this cycle will continue over the long-term. Due to the pandemic, the opposite has happened in 2020/21, with operational losses reducing the amount of the improvement reserves. The cost of smaller capital projects has been included in this fund along with a contribution towards the next major development planned for Waterlooville and a provision to support growth opportunities.

At the end of the 2019/20 financial year, the Phase 2 extension at Waterlooville was making good progress but this came to a halt when the global pandemic struck. These funds were used to support and sustain the business.

The life cycle reserve has been set up to fund any major building, plant or equipment replacement or repair works that the charity is responsible for or agrees to fund on behalf of the landlord, Havant Borough Council. Negotiations are taking place but progress has been slow.

The general reserve represents the valuation of investments plus cash surpluses accumulated from previous years. A significant amount of this reserve was used to help fund the extension at Waterlooville so a priority has been to replenish it in order to help fund new improvements and external expansion opportunities. As the leisure market is demand led and requires continual reinvestment in activities and facilities in order to remain competitive the charity must have a business strategy which ensures long-term sustainability and one that balances the need to establish appropriate reserves with annual reinvestment in facilities and services.

The cash reserves are classified as designated funds as they exist for a particular purpose. Investments and cash balances have been set aside to fund future projects and top up essential reserves. The trustees consider free reserves to comprise the operational reserve, unrestricted reserves and the trading reserve. At the 31 March 2021 the unrestricted reserves amounted to £2,402,532 (2020: £2,966,613). The trustees have reviewed cash flow and income forecasts and are satisfied with this level. Major capital projects planned over the long term may be delayed if cash is needed to support any unbudgeted or emergency expenditure.

Through prudent financial stewardship over many years, the charity has managed to accrue sufficient cash reserves to fund its known commitments and finance major capital investments. This approach has enabled the charity to support itself through the pandemic and remain viable despite the challenging global and economic climate. The charity does not receive any funding from the local authority although it did take maximum advantage of the furlough scheme and other small business grants over the past year to assist with the recovery.

The pandemic is not over, so a prudent and cautious approach is still required for the foreseeable future. The roll-out of the national vaccination programme has been a success but is far from complete. The medical profession is forecasting a possible third wave in the autumn/winter and the government is contemplating a Covid-19 booster jab for certain vulnerable groups before then. It is hoped that the easing of restrictions put in place by the government will not need to be reversed and

that businesses can continue to operate under certain guidelines into the future.

The charity has demonstrated, given sound financial management and government support, that it has been able to act with agility and resilience to the worst of the pandemic so far and the trustees are satisfied that the level of reserves will enable it to cope with any further, hopefully less severe set-backs, should they arise over the coming 12-months or more. On this basis the trustees consider the charity to be a going concern.

Plans for future periods

During the pandemic closure period, the Board decided it wanted to utilize the opportunity to undertake a root and branch review of the business in order to be able to emerge from the crisis in a better position than when it went in. A suitably qualified and experienced external facilitator was appointed to guide the Board and the Leadership Team through the process over a 3-month period.

The initial outcome was the development of a new 5-year strategic plan that sets out the charity's direction for the period 2021-26. The global pandemic has affected every aspect of our lives over the past year and will continue to influence our future. The impact of COVID-19 has brought into increasingly sharper focus the relevance and importance of physical activity in maintaining health, physical and mental well-being, as well as supporting recuperation from the effects of this disease. An active lifestyle also contributes to the economy, improves community cohesion and reduces social isolation. The charity's strategy seeks to encourage participation in an active lifestyle through the provision of a range of facilities and services to best serve our community, and that are accessible and affordable to all. Our services will align with both national and local government strategies that recognise the importance that an active lifestyle has on health and well-being.

The strategic plan strives to make the charity's purpose clear to our customers, partners, stakeholders and employees. The environment in which we are operating will continue to be dynamic and this will require the charity to be flexible and responsive. To succeed we will be proactive in seeking out and exploiting new opportunities that will benefit the health and wellbeing of the community. The success of the strategy will depend on other factors including relationships with our customers, staff and partners.

The strategic plan identifies 5-key areas of the business; our future, our customers, our employees, our finances and our impact. To help support and achieve the stated aims for each area an implementation plan has been drafted listing the specific tasks to be undertaken along with timeframes for delivery. The transformation programme has been called 'good to great'.

The overall objective of the new plan is to make the charity more efficient, dynamic and better placed to grow the business. The charity plans to be a more robust organisation with better governance protocols and an operational strategy that will help transform the business into a more flexible and resilient organisation fit for the future and one that improves its current service provision whilst looking at other opportunities that may help the charity to grow and diversify.

Whilst the charity has been looking to the future, it will also ensure that it focuses on the recovery period. Reopening the centres in several phases in accordance with government guidelines, has been a challenge but early signs are encouraging as customers begin to gain the confidence to return to the centres. The reduced facility capacities introduced over the past year are beginning to increase to ease customers back to the centres with confidence knowing that the safety protocols will slowly be reduced.

In terms of major capital improvements, the S106 developer contribution towards an extension at Waterlooville is now accessible so work is beginning to commence on looking at the options for the facility and activity mix to be considered by the Board later in the year. The Board has recently given

approval for a creche to be built at Waterlooville to provide greater accessibility to parents to take exercise and opportunities are being explored into the viability of operating facilities other than the existing centres.

Based on the above, the charity believes it is well placed to meet the challenges and uncertainties of the next 5 years, and will strive to provide excellent value for money services to its customers and provide quality facilities to meet the educational, sport and leisure and health and well-being needs of the communities it serves.

Reference and administrative details

Charity Number	1060896
Company Number	3319069
Registered Office	Havant Leisure Centre, Civic Centre Road, Havant, Hampshire, PO92AY

Our advisers

Auditors	Mazars LLP Merck House, Seldown, Poole, Dorset, BH15 1TW
Bankers	National Westminster Bank pie 23 West Street, Havant, Hampshire, PO9 1EU
Solicitors	Blake Morgan New Kings Court, Tailgate, Chandler's Ford, Hampshire, SO53 3LG
Insurers	Aston Lark Ltd Malling House, West Malling, Kent, ME19 6QL

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year-end were as follows:

Key management personnel Borough of Havant Sport and Leisure Trust:

W J Ball – resigned 29th April 2021
P C Crane
J Crouch
M Hoare
P Jones
G Lawton – resigned 15th October 2020
P Lewis
P Mellor – appointed 8th June 2020
P Reid – appointed 25th February 2021
C W Scott
M Smith – resigned 15th October 2020
M Toy – appointed 25th February 2021

Secretary

H G Broad CPFA

Senior Managers

The Leadership Team consists of the following posts:

Chief Executive
Head of Operations and Sales
Head of People and Culture
Head of Finance
Head of Marketing and Communications
Head of IT

Manager Structure, Governance and Management

Governing Document

Borough of Havant Sport and Leisure Trust is a company limited by guarantee, registered with Companies House, set up on 17 February 1997. Its activities are governed by its Memorandum and Articles of Association, which were last amended on 26 October 2000. The charity is registered with the Charity Commission. The members of the company are the trustees/directors. Each member agrees to contribute £5 in the event of the charity being wound up.

The charity has a subsidiary trading company, which is a private limited company. The subsidiary is wholly owned by the charity.

Appointment of trustees

Trustees are appointed on the agreement of the Board following consideration of a CV and formal application. In most cases, a recommendation is made by the Board Chairman and the Chief Executive to the Board on suitability following an informal meeting with the applicant, which can be attended by any trustee.

Trustee induction and training

An induction pack is provided to all new directors, which contains relevant information in relation to their roles and responsibilities as charitable trustees as well as information relating to the business of the charity. The induction includes a tour of the facilities operated by the charity and an introduction to key members of staff.

Formal trustee training is planned annually although trustees can seek assistance from senior management at any time. Topics for training vary from year to year and are democratically agreed. External speakers are employed where necessary to provide expertise in specialist areas. Attendance of trustees at annual charity presentations are actively encouraged in order to keep up to date on sector developments. The impact of Covid has of course significantly reduced the scope for such activities to take place.

Organisation

The governing body of the charity is the Board of Management, which currently comprises nine trustees, and meets on a monthly basis although additional meetings can be called at short notice.

A Chief Executive is appointed by the trustees to implement strategy and manage the day-to- day operations of the charity.

Related parties and co-operation with other organisations

Related parties

None of the trustees receive remuneration from their work with the charity. Any connection between a trustee or senior manager of the charity with a supplier must be disclosed to the board of trustees. In the current year no such related party transactions were reported.

Cooperation with other organisations

The charity has a close relationship with Havant Borough Council. The Council, who is the landlord of both leisure centres, provide these facilities rent-free and provides a 20% discretionary relief on national non-domestic rates bills. The charity and the Council should work together to prepare an annual buildings maintenance programme that the Council is responsible for under the leases. The Council does not provide an operational revenue subsidy to the charity and retains all income derived from the use of the public car park that serves the Havant Leisure Centre.

The charity's wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited was established to operate cafe and bar facilities and sell leisure goods at both leisure centres. The Borough of Havant Sport and Leisure Trading Limited gift aids its profits to the charity each year.

Pay policy for senior staff

All appointed trustees are members of the Board of Management and together with the Leadership Team comprise the key management personnel of the charity in charge of setting strategy, directing and controlling, running and operating the Trust on a day-to-day basis. All trustees give their time freely. Details of trustee's expenses and related party transactions are disclosed in notes 12 and 14 to the accounts.

The remuneration package of the Chief Executive is considered and reviewed on a regular basis by the Staff and Remuneration Panel. Occasionally and in order to assist decision-making and make comparisons with the market an external specialist is commissioned to review the remuneration and performance of the Chief Executive. The remuneration packages of the rest of the Leadership Team are delegated to the Chief Executive although reported to the Staff and Remuneration Panel. Where individual reviews have not taken place within 3-months of the end of the financial year then the members of the Leadership Team are included within any annual general staff pay review for the following year approved by the Board.

Risk management

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- the charity's assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable; and
- the charity complies with relevant laws and regulations.

As part of the charity's risk management process trustees accept that the internal controls in place

are designed to manage rather than eliminate the risk of failure to achieve the charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

Investment in facilities is crucial if customer demands are to be met and attendances retained. Revenue surpluses are used in the current year or designated for future projects. A regular review of cash reserves and accessibility of cash balances is carried out.

Public taste and changing economic climate affect the use of leisure services. In this regard, operational risk is managed by not over-estimating revenue streams or increasing fixed costs when leisure spends are high.

Other non-financial risks arise from the health and safety of customers and employees. These risks are managed by the charity's risk management team with the brief to ensure provision of a safe and secure environment for customers and staff in order to minimise accidents, injuries & thefts.

The charity's risk register was reviewed and significantly enhanced during 2019/20. Risks are categorised over a range of areas and assessed on impact and likelihood to produce a score used to rank risks. This helps management to prioritise risks and formulate an action plan to reduce or eliminate them.

Landlord negotiations

Negotiations on developing a new partnering agreement and financial arrangement with the charity's landlord, Havant Borough Council, commenced in January 2017. Progress has been slow and over the past year has not been considered a priority.

The negotiations are beginning to pick up again and involve the consideration of a package of measures, some of which involve the charity providing financial assistance to help fund the Council's building maintenance obligations. In exchange, the Council is being asked for greater support towards the charity's capital investment plans at the Waterlooville centre through early drawdown of the S106 developer contribution.

The impact of Covid-19 on both parties meant negotiations were put on hold but the recent appointment of a dedicated leisure officer has seen many productive meetings taking place along with productive meetings with the Council Leader and planned meetings with the Cabinet Portfolio holder. The charity hopes that the eventual outcome will be a positive one for both parties as well as for customers and the community.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Borough of Havant Sport and Leisure Trust for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

P Jones
Chairman
Date: 14/9/21

Independent auditor's report to the trustees Borough of Havant Sport and Leisure Trust

Opinion

We have audited the financial statements of Borough of Havant Sport and Leisure Trust (the 'charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustee's annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of The Borough of Havant Sport and Leisure Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, non-compliance with implementation of government support schemes relating to COVID-19 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

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

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

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;

- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and parent charity which were contrary to applicable laws and regulations, including fraud.

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

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity's trustees 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Jonathan Marchant (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

Date: 20/9/21

BOROUGH OF HAVANT SPORT AND LEISURE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AS AT 31 MARCH 2021
(including the consolidated income and expenditure account)

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income:							
Income from charitable activities							
Operation of leisure centres	4	2,030,927	-	2,030,927	5,049,418	6,025	5,055,443
Income from donations	3	288,768	-	288,768	490,851	-	490,851
Income for other trading activities:							
Commercial trading operations	5	99,310	-	99,310	491,769	-	491,769
Investment income	6	12,536	-	12,536	44,025	-	44,025
Total income		**2,431,541**	**-**	**2,431,541**	**6,076,063**	**6,025**	**6,082,088**
Expenditure:							
Cost of raising funds:							
Commercial trading operations		91,954	-	91,954	462,430	-	462,430
Expenditure on charitable activities:							
Operation of leisure centres	7	3,336,437		3,336,437	5,450,321	19,649	5,469,970
Donated facilities	7	288,768	-	288,768	490,851	-	490,851
Total expenditure	26	**3,717,159**	**-**	**3,717,159**	**6,403,603**	**19,649**	**6,423,251**
Net gains/(losses) on investments		121,889	-	121,889	(83,518)	-	(83,518)
Net income/(expenditure)		**(1,163,729)**	**-**	**(1,163,729)**	**(411,058)**	**(13,624)**	**(424,682)**
Transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses):							
Actuarial (losses) / gains on defined benefit pension schemes	30	(43,000)	-	(43,000)	(166,000)		(166,000)
Net movement in funds		**(1,206,729)**	**-**	**(1,206,729)**	**(577,058)**	**(13,624)**	**(590,682)**
Reconciliation of funds:							
Total funds brought forward		6,311,769	345,830	6,657,599	6,888,829	359,454	7,248,283
Total funds carried forward		**5,105,040**	**345,830**	**5,450,870**	**6,311,770**	**345,830**	**6,657,600**

The notes on pages 21 to 36 form part of these financial statements.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

Registered number: 3319069

(A company limited by guarantee)

CONSOLIDATED AND COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible fixed assets	18	4,693,690	4,839,809	4,690,515	4,831,383
Investments	19	543,388	421,498	543,390	421,500
Total fixed assets		**5,237,078**	**5,261,307**	**5,233,905**	**5,252,883**
Current assets					
Stocks	20	5,568	10,910	-	-
Investments	21	1,330,857	2,285,881	1,330,857	2,285,881
Debtors	22	282,816	206,506	283,812	224,815
Cash at bank and in hand		626,395	1,117,039	613,399	1,012,419
Total current assets		**2,245,636**	**3,620,335**	**2,228,068**	**3,523,115**
Liabilities					
Creditors falling due within one year	23	(304,576)	(557,164)	(301,137)	(502,529)
Net current assets		1,941,060	3,063,170	1,926,931	3,020,585
Total assets less current liabilities		**7,178,138**	**8,324,478**	**7,160,836**	**8,273,469**
Creditors falling due after more than one year	25	(97,268)	(130,879)	(97,268)	(130,879)
Net assets excluding pension liability		**7,080,870**	**8,193,599**	**7,063,568**	**8,142,590**
Defined benefit pension scheme liability	30	(1,630,000)	(1,536,000)	(1,630,000)	(1,536,000)
Total net assets		**5,450,870**	**6,657,599**	**5,433,568**	**6,606,590**
CHARITY FUNDS					
Restricted funds	26	345,830	345,830	345,830	345,830
Unrestricted funds:					
Unrestricted funds excluding pension liability		6,735,040	7,847,769	6,717,738	7,796,760
Pension reserve		(1,630,000)	(1,536,000)	(1,630,000)	(1,536,000)
Total unrestricted funds	26	5,105,040	6,311,769	5,087,738	6,260,760
Total charity funds		**5,450,870**	**6,657,599**	**5,433,568**	**6,606,590**

The financial statements and notes on pages 21 to 36 were approved by the Directors on 14/9/21 and signed on their behalf, by:

P. Jones, Chairman

BOROUGH OF HAVANT SPORT AND LEISURE TRUST
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT [TO BE UPDATED]
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash used in operating activities	**28**	**(1,167,105)**	**15,566**	**(1,075,453)**	**63,586**
Cash flows used in investing activities					
Interest income		12,536	44,025	12,511	43,899
Proceeds on sale of investments		955,024	-1,595,039	955,024	-1,595,039
Proceeds on sale of fixed assets		700	-	700	-
Purchase of tangible fixed assets		(258,190)	-628,727	(258,190)	-624,485
Cash used in investing activities		**710,070**	**-2,179,741**	**710,045**	**-2,175,626**
Cash flows from financing activities					
Cash inflows from new borrowing		-	172,989	-	172,989
Repayment of borrowing		(33,612)	-	(33,612)	-
Net cash provided by financing activities		**(33,612)**	**172,989**	**(33,612)**	**172,989**
Increase/(decrease) in cash and cash equivalents in the year		(490,647)	(1,991,186)	(399,020)	(1,939,051)
Cash and cash equivalents at the beginning of the year		1,117,042	3,108,228	1,012,419	2,951,470
Cash and cash equivalents at the end of the year	**29**	626,395	1,117,042	613,399	1,012,419

The notes on pages 20 to 35 form part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Borough of Havant Sport and Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of the accounts on a going concern basis

The charity reported a cash outflow of £457,035 (£2,155,289 on a group basis) from operating activities and investing activities. Overall, there was a cash outflow of £490,647 for the year (£1,982,300 on a group basis). £955,024 was transferred from current and instant access savings accounts to fixed term bank accounts (longer than 3-month term).
At the year end the group had negative free reserves totalling (£345,830). The designation of funds for future projects and potential shortfalls is considered to ensure the future of the charity. The trustees have reviewed projected income and expenditure for the next twelve months and on that basis the charity is a going concern.

1.3 Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.4 Income

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

Income represents point of sale receipts and amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

Income from local authority and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Income received in advance of a fitness class, swimming lesson or parties is deferred until the criteria for income recognition are met (see note 24).

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated facilities reflect the rateable value of the two leisure centres provided by the local authority for no charge and a 20% discretionary relief provided by the local authority on the National Non-Domestic Rates bill.

1.6 Interest receivable

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

1.7 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 charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific 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 company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

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

1.8 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds comprise the costs of commercial trading including the cafes, bar and goods for resale and their associated support costs.

Expenditure on charitable activities includes costs associated with the running of the leisure centres and include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, staff costs by time spent and other costs by their usage.

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

1.9 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's leisure programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities where applicable. The bases on which support costs have been allocated are set out in note 10.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Substantial assets are reviewed and broken down into component parts where the useful economic life of a component is significantly different to the rest of the asset.

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

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:

Leasehold property consisting of:		
Land and buildings	-	Over the period of the lease
Other components	-	Over 10 - 15 years
Plant & machinery	-	10% - 33% straight line
Income generating equipment	-	20% - 50% straight line
Operational equipment	-	20% - 33% straight line
Assets under construction	-	No depreciation charge

1.12 Investments

(I) Fixed asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(ii) Investments in subsidiaries are valued at cost less provision for impairment.

(iii) Current asset investments include short term highly liquid investments that require more than three months but less than one year notice to withdraw cash.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount due.

1.15 Creditors

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.

1.16 Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. A corresponding liability is recognised for the fair value of the leased asset in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Financial Activities so as to achieve a constant rate of interest on the remaining balance of the liability.

1.17 Pensions

The company operates a defined benefits pension scheme which requires contributions to be made to a separately administered fund. The scheme is closed to new members. A defined contribution pension scheme is available to all employees.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income or expenditure as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Allowance has been made for full indexation on all Guaranteed Minimum Pensions (GMP) for members whose State Pension Age is on or after 6 April 2016.
A McCloud underpin liability has been calculated with the assumption that the underpin applies to 1) all members in service on 1 April 2012 2) members' benefits on reaching retirement (normal or ill health), or on prior withdrawal, and 3) spouse's benefits on death after retirement.
Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

1.18 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating and finance lease commitments

The charity has entered into leases as a lessee for use of plant and equipment. The classification of such leases as operating or finance lease requires the charity to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. One lease has been recognised as a finance lease.

Pensions

The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Management have placed reliance on the figures prepared by the work of an expert. Further details are given in note 30.

Fixed Assets

The charity purchases fixed assets and writes the cost less estimated residual value down over the expected useful life of each asset. Choosing the useful economic life of an asset is a judgement by management that impacts on the financial statements over a number of years. A small variation in the life could have a significant affect on the financial statements. The useful life of the asset is determined in the year of purchase and is based on experience. This is reviewed annually to ensure it is still appropriate.

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 8. In the event of the company being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

3. INCOME FROM DONATIONS

	2021	2020
	£	£
Donated facilities	288,768	490,851

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021	Restricted Funds 2021	Unrestricted funds 2020	Restricted Funds 2020
	£	£	£	£
Grants from institutions	-	-	-	6,025
Operation of leisure centres	2,030,927	-	5,049,418	-
	2,030,927	-	5,049,418	6,025

5. INCOME FROM OTHER TRADING ACTIVITIES

The wholly owned trading subsidiary Borough of Havant Sport and Leisure Trading Limited is incorporated in the United Kingdom (company number 3406679) and pays all of its profits to the charity under the gift aid scheme. The subsidiary operates café and bar facilities and sells leisure goods. All commercial trading operations are carried out at the charity leisure centres. A summary of the trading results is shown below.

	2021 £	2020 £
Turnover	20,124	491,769
Cost of sales and administration costs	(129,890)	(489,556)
Other operating income	79,186	-
Interest receivable	25	127
Net profit	(30,555)	2,340
Amount gift aided to the charity	-	-
Retained in subsidiary	(30,555)	2,340
The assets and liabilities of the subsidiary were:		
Current assets	18,738	120,247
Current liabilities	(4,610)	(77,662)
Total net assets	14,128	42,585

6. INVESTMENT INCOME

	2021 £	2020 £
Bank interest	12,536	44,025

7. DIRECT COSTS

	Provision of sporting and leisure facilities to the public 2021 £	Total funds 2021 £	Total funds 2020 £
Operational staff	1,406,299	1,406,299	1,839,729
Other finance expense (Note 17)	35,000	35,000	31,000
Equipment and materials	59,827	59,827	91,998
Subcontractors	27,953	27,953	113,547
Premises and equipment maintenance	149,447	149,447	277,441
Repair and replacement fixtures	34,183	34,183	66,995
Energy and utility	294,109	294,109	440,020
Third party support and insurance	56,206	56,206	101,541
Marketing, unrecoverable VAT and other	154,881	154,881	299,874
(Gains)/losses on disposal of fixed assets	466	466	4,702
Depreciation	398,591	398,591	408,888
Governance costs	44,856	44,856	95,690
Support costs	680,871	680,871	1,698,544
	3,342,689	3,342,689	5,469,970
Donated facilities	288,768	288,768	490,851
	3,631,457	3,631,457	5,960,821

Expenditure on charitable activities was £3,336,437 (2020: £5,469,970) of which £3,336,437 was unrestricted (2020: £5,450,321) and £NIL was restricted (2020: £19,649).

8. SUMMARY OF ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This shows the cost of the main charitable activity and the sources of income that directly support those activities.

	Provision of sporting and leisure facilities to the public
	£
Costs	(3,342,689)
Income from sport and leisure facilities	2,030,927
Net income to fund future costs and projects	(1,311,762)

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs these, along with the remaining support costs, are allocated to the cost of the charity's key charitable activity. The table below shows the basis of apportionment and the analysis of support and governance costs.

	Basis of apportionment	General support	Governance function	Total
		£	£	£
Audit, legal and professional (Note 11)	Governance	7,521	33,883	41,404
Trustee expenses and indemnity insurance	Governance	-	10,973	10,973
Corporate office staff costs	Allocated on time	662,920	-	662,920
IT and payroll running costs	Invoiced Amounts	10,430	-	10,430
Council pension settlement	Support	-	-	-
		680,871	44,856	725,727

10. TURNOVER

All turnover arose within the United Kingdom.

11. NET INCOMING RESOURCES

This is stated after charging:	2021	2020
	£	£
Depreciation of tangible fixed assets:		
Owned by the charitable group	362,679	364,879
Assets held under finance lease	-	44,009
(Surplus)/Loss on disposal of fixed assets	466	4,702
Auditor's remuneration:		
Audit fees	14,430	14,000
Other advice	-	-
Operating leases - equipment	12,075	36,032

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:	2021	2020
	£	£
Wages and salaries	2,123,791	2,531,747
Social security costs	105,834	126,442
Other pension costs (Note 31)	52,909	80,165
	2,282,534	2,738,354

The number of higher paid employees was:	No.	No.
In the band		
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1

12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (CONTINUED)

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

During the year, no trustees received any remuneration (2020 - £NIL).

During the year, no trustees received any benefits in kind (2020 - £NIL).

One trustee received reimbursement of expenses amounting to £24.08 in the current year, (2020: one trustees received £37.80). The amount of expenses waived by other trustees in the year was £24.08.

The key management personnel of the parent charity comprise the trustees, and the senior management team consisting of the Chief Executive, Operations Manager, HR Manager, Finance Manager and Marketing and Communications Manager. The total employee benefits of the key management personnel of the charity was £219,680 (2020: £282,232).

The key management personnel of the group comprise those of the charity and the directors of its wholly owned subsidiary, Borough of Havant Sport and Leisure Trading Limited.

13. STAFF NUMBERS

The average monthly head count including casual and part-time staff during the year was as follows

	2021 No.	2020 No.
Management	5	5
Other	167	222
	172	227

14. RELATED PARTIES

In 2020 the following transactions took place between the charity and its wholly owned subsidiary Borough of Havant Sport and Leisure Trading Limited:

The provision of kitchen facilities at the Waterlooville café and kitchen equipment by the charity to Borough of Havant Sport and Leisure Trading Limited of £1,084 (2020: £4,325)

The provision of management and administrative services by the charity to Borough of Havant Sport and Leisure Trading Limited totalling £NIL (2020: £22,800).

The transfer under gift aid of the trading profits of Borough of Havant Sport and Leisure Trading Limited to the charity of £3,152 (2020: £7,861).

At the balance sheet date Borough of Havant Sport and Leisure Trading Limited owed the charity £11,173 (2020: £23,027). This represents items paid by the charity on behalf of Borough of Havant Sport and Leisure Trading Limited which were then repaid at a later date. The most significant costs are wages.

15. GOVERNMENT GRANTS

Income from government grants comprises project related grants made by local authorities to fund specific sport, leisure and health projects run by the charity.

Government grants relating to the Coronavirus Job Retention Scheme (CJRS) have been received during the year in respect of employee costs incurred for furloughed staff is as follows:

	2021 £	2020 £
Furlough grant	1,062,834	-

16. CORPORATION TAX

As a charity, Borough of Havant Sport and Leisure Trust benefits from various exemptions from taxation afforded by tax legislation and is therefore not liable to corporation tax on income or gains falling within those exemptions.

17. OTHER FINANCE EXPENSES

	2021	2020
	£	£
Expected return on pension scheme assets	79,000	76,000
Interest on pension scheme liabilities	(114,000)	(107,000)
	(35,000)	(31,000)

18. TANGIBLE FIXED ASSETS

Group	Assets under construction	L/Term Leasehold Property	Plant and Machinery	Income generating equipment	Operational Equipment	Total
Cost						
At 1 April 2020	21,396	6,674,176	37,786	1,359,243	504,025	8,596,626
Additions	880	176,061	-	29,943	51,306	258,190
Disposals	-	-	-	-	(2,328)	(2,328)
At 31 March 2021	22,276	6,850,237	37,786	1,389,186	553,003	8,852,488
Depreciation						
At 1 April 2020	-	2,238,823	29,360	1,042,097	446,538	3,756,818
Charge for the year	-	249,670	5,250	113,009	35,913	403,842
Transfer to other category	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	(1,862)	(1,862)
At 31 March 2021	-	2,488,493	34,610	1,155,106	480,589	4,158,798
Net Book Value						
At 31 March 2021	22,276	4,361,744	3,176	234,080	72,414	4,693,690
At 31 March 2020	21,396	4,435,354	8,426	317,147	57,488	4,839,809

Charity	Assets under construction	L/Term Leasehold Property	Plant and Machinery	Income generating equipment	Operational Equipment	Total
Cost						
At 1 April 2020	21,396	6,674,176	-	1,351,773	504,025	8,551,370
Additions	880	176,061	-	29,943	51,306	258,190
Transfer to other category	-	-	-	-	-	-
Disposals	-	-	-	-	(2,328)	(2,328)
At 31 March 2021	22,276.00	6,850,237	-	1,381,716	553,003	8,807,232
Depreciation						
At 1 April 2020	-	2,238,823	-	1,034,626	446,538	3,719,987
Charge for the year	-	249,670	-	113,009	35,913	398,592
Depreciation on disposals	-	-	-	-	(1,862)	(1,862)
At 31 March 2021	-	2,488,493	-	1,147,635	480,589	4,116,716
Net Book Value						
At 31 March 2021	22,276	4,361,744	-	234,081	72,415	4,690,515
At 31 March 2020	21,396	4,435,353	-	317,147	57,487	4,831,383

The charity has recognised some fixed assets that are being purchased under finance leases. The net book value of this equipment at the year-end was £132,025 (2020: £176,033).

19. FIXED ASSET INVESTMENTS

Group	Listed securities £
Market Value	
At 1 April 2020	421,498
Revaluations	121,890
At 31 March 2021	543,388
Historical Cost	175,000

The listed securities are all held in unit trusts listed on the UK Stock Exchange.

Charity	Listed securities £	Shares in group undertakings £	Total £
Market Value			
At 1 April 2020	421,498	2	421,500
Revaluations	121,890	-	121,890
At 31 March 2021	543,388	2	543,390
Historical Cost	175,000	2	175,000

The charity owns the whole of the issued share capital of Borough of Havant Sport and Leisure Trading Limited, a company incorporated in England and Wales which carries on the business of running a café. The investment, which consists of 2 ordinary shares of £1 each, is shown at cost. In the opinion of the Trustees, the aggregate value of the shares in and amounts owing from the company's subsidiary is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet. The activities and results of this company are summarised in note 5.

20. STOCKS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Catering supplies	5,568	10,910	-	-

21. CURRENT INVESTMENT

	Group 2021	Group 2020	Charity 2021	Charity 2020
Cash on deposit between 3 and 12 months	1,330,857	2,285,881	1,330,857	2,285,881

22. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	177	14,227	-	13,063
Prepayments and accrued income	272,639	192,279	272,639	188,725
Other debtors	-	-	-	-
Amounts owed by group undertakings	10,000	-	11,173	23,027
	282,816	206,506	283,812	224,815

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts falling due within one year	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	78,942	112,717	78,942	101,957
Social security and other taxes	17,080	73,666	16,829	35,975
Other creditors	21,526	15,791	21,526	14,671
Loans due < 1 year	42,110	42,110	42,110	42,110
Accruals and deferred income	144,918	312,879	141,730	307,816
	304,576	557,164	301,137	502,529

24. DEFERRED INCOME

Deferred income comprises advance bookings of fitness classes, swimming lessons and parties that take place after 31 March 2020. It also includes the unused element of annual memberships at 31 March 2020 and the income that related to the period 21/03/20 to 31/03/20 when the Leisure Centres were closed by the Government due to COVID-19 pandemic, this income would be rolled forward to 2020/21 or refunded.

	Group	Charity
	£	£
At 1 April 2020	188,114	74,408
Amount released to income	(188,114)	(74,408)
Amount deferred in the year	42,683	188,114
At 31 March 2021	42,683	188,114

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

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finance leases (falling due in less than 5 years)	97,268	130,879	97,268	130,879

26. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (Losses) £	Carried forward £
Designated funds						
Operational reserve	550,000	-	-	(121,889)	121,889	550,000
Improvement reserve	2,506,404	-	(129,676)	(332,402)	-	2,044,326
Small Capital Projects						-
Life cycle programme reserve	200,000	-	-		-	200,000
LGPS deficit reserve	510,000	-	-	(500,000)	-	10,000
Fixed assets reserve	4,485,553	-	-	(163,056)		4,322,497
	8,251,957	-	(129,676)	(1,117,348)	121,889	7,126,823
General Funds						
General Funds	(455,197)	2,222,206	(3,296,593)	1,120,500		(409,085)
Trading reserve	51,009	99,335	(129,890)	(3,152)		17,302
Pension reserve	(1,536,000)	110,000	(161,000)	-	(43,000)	(1,630,000)
	(1,940,188)	2,431,541	(3,587,483)	1,117,348	(43,000)	(2,021,783)
Total unrestricted funds	6,311,769	2,431,541	(3,717,159)	-	78,889	5,105,040
Restricted funds						
WLC Extension fund	182,863	-	-	-	-	182,863
New Direction Grant	-	-	-	-	-	-
Pool Hoist grant	-	-	-	-	-	-
Fitness Measurement Grant	-	-	-	-	-	-
GP Referral Training grant	460	-	-	-	-	460.00
Refurbishment project fund	150,527	-	-	-	-	150,527.00
Disabled changing room fund	11,980	-	-	-	-	11,980.00
Total restricted funds	345,830	-	-	-	-	345,830
Total of funds	6,657,599	2,431,541	(3,717,159)	-	78,889	5,450,870

SUMMARY OF FUNDS	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains / (Losses) £	Carried forward £
Designated funds	8,251,957	-	(129,676)	(1,117,348)	121,889	7,126,823
Pension reserve	(1,536,000)	110,000	(161,000)	-	(43,000)	(1,630,000)
General funds	(404,188)	2,321,541	(3,426,483)	1,117,348	-	(391,783)
Total unrestricted funds	6,311,769	2,431,541	(3,717,159)	-	78,889	5,105,040
Restricted	345,830	-	-	-	-	345,830
	6,657,599	2,431,541	(3,717,159)	-	78,889	5,450,870

The designated funds consist of:

Operational reserve - funds set aside to meet any shortfall between the anticipated income and budgeted outgoings and any unforeseen expenditure. It will also be available to assist in the funding of new activities not foreseen in budgets.

Improvement reserve – funds allocated for capital projects the charity is to undertake in the future to remain viable, competitive and meet customer demands.
The improvement reserve balance at the year end represents funding set aside for a number of specific future projects. These amounts have been funded from cash surpluses generated in the year. Some projects still require additional funds.

Life cycle programme reserve - a programme run by the charity for the continuing refurbishment of the leisure centres.

Fixed assets reserve - the value of unrestricted funds represented by tangible fixed assets owned and used by the charity for leisure activities.

26. STATEMENT OF FUNDS (CONTINUED)

The restricted funds consist of:

WLC extension fund - the S106 contribution passed on by Havant Borough Council to partly fund the building of the Waterlooville extension. The balance represents the unamortised value of works funded by this contribution.

Pool hoist grant - a grant received to help purchase a pool hoist for Havant swimming pool. The balance represents the unamortised value of works funded by the grant received.

Other small grants - represents income received in the year to fund small projects. This funding was spent on the relevant activities in the year.

Refurbishment projects fund – this fund relates to remedial works and improvements to buildings and facilities funded by a capital grant in previous years. The remaining balance represents the unamortised element of the works funded by the grant.

Disabled changing room fund – this fund relates to conversion works to create a disabled changing room facility funded by a capital grant in previous years. The remaining balance represents the unamortised element of the capital work funded by the grant.

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	4,347,860	345,830	4,693,690
Fixed asset investments	-	543,388		543,388
Current assets	10,061	2,235,575	-	2,245,636
Creditors due within one year	(304,576)	-	-	(304,576)
Creditors due after one year	(97,268)	-		(97,268)
Provisions for liabilities and charges	(1,630,000)	(1,630,000)	-	-
	(2,021,783)	7,126,823	345,830	5,450,870

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

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net Income	(1,163,729)	(433,044)	(1,133,172)	(392,133)
Adjustments for:				
Depreciation charges	403,842	414,138	398,592	408,888
Losses/(gains) on investments	(121,889)	83,518	(121,889)	83,518
(Profit)/loss on disposal of fixed assets	(234)	4,707	(234)	4,707
Interest received	(12,536)	(44,025)	(12,511)	(43,899)
Gift aid from Trading company	3,157	8,362	3,157	8,362
Decrease in stock	5,342	7,213	-	-
Increase in debtors	(76,310)	(50,393)	(58,997)	(30,796)
Decrease in creditors	(218,978)	(3,911)	(167,781)	(4,062)
Transfer of funds	19,094	-	22,247	-
FRS 17 adjustments	(4,865)	29,000	(4,865)	29,000
Net cash used in operating activities	(1,167,105)	15,565	(1,075,453)	63,585

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash in hand	626,395	1,117,038	613,399	1,012,419
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	626,396	1,117,038	613,399	1,012,419

30. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £33,557 (2020: £26,808). Contributions totalling £nil (2020: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a final salary defined benefit pension scheme.

The company participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. Three members of staff are members of the scheme, which is closed to new members. The Trustees are monitoring the potential impact of the final employee leaving the scheme and the liability crystallising.

The most recent valuation was carried out as at 31 March 2019, and has been updated by independent actuaries to the Hampshire County Council Pension Fund (the Fund) to take account of the requirements of FRS102 in order to assess the liabilities of the Fund. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The assets and liabilities of the schemes at 31 March are:

	2021 £	2020 £
Scheme assets at fair value		
Equities	2,424,000	1,811,826
Government bonds	736,000	749,484
Corporate bonds	-	-
Cash	60,000	68,760
Property	259,000	250,974
Other	774,000	556,956
Fair value of scheme assets	4,253,000	3,438,000
Present value of scheme liabilities	(5,884,000)	(4,975,000)
	(1,631,000)	(1,537,000)

The pension plan has not invested in any of the charity's own properties or other assets used by the group.

30. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
Recognised in the Statement of Financial Activities	£	£
Current service cost	(47,000)	(51,000)
Net interest on defined benefit liability	(35,000)	(31,000)
Total recognised in net income	(82,000)	(82,000)
Taken to other comprehensive income		
Asset gains/(losses) arising during the period	777,000	217,000
Liability gains/(losses) arising during the period	(820,000)	(383,000)
Remeasurement gains and losses recognised in other comprehensive income	(43,000)	(166,000)

	2021	2020
Main assumptions:	%	%
Rate of salary increases	3.7	3.7
Rate of increase in pension payment	2.7	2.2
Discount rate	2.1	2.4
RPI Inflation assumption	2.7	3.3
CPI Inflation assumption	2.7	2.2
Post-retirement mortality		
Current pensioners at 65 - male	23.1	23.3
Current pensioners at 65 - female	25.5	26.1
Future pensioners at 65 - male	24.8	24.9
Future pensioners at 65 - female	27.3	27.8

The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2040.

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

	2021	2020
	£	£
Opening defined benefit obligation	4,975,000	4,506,000
Current service cost	47,000	51,000
Past service cost	-	1,000
Interest expense on defined benefit obligation	114,000	107,000
Contributions by scheme participants	14,000	14,000
Benefits paid	(86,000)	(87,000)
Actuarial Losses/(Gains)	820,000	383,000
Closing defined benefit obligation	5,884,000	4,975,000

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

	2021	2020
	£	£
Opening fair value of scheme assets	3,438,000	3,165,000
Remeasurement (losses)/gains	777,000	217,000
Interest income on assets	79,000	76,000
Contributions by employer	31,000	53,000
Contributions by scheme participants	14,000	14,000
Benefits paid	(86,000)	(87,000)
	4,253,000	3,438,000

31. OPERATING LEASE COMMITMENTS

At the balance sheet date, the group had annual commitments for equipment under non-cancellable operating leases as follows:

Group **Expiry date:**	**2021** **£**	**2020** **£**
Less than 1 year	9,808	12,075
1 - 2 years	9,591	9,548
2 - 5 years	28,642	37,325
	48,041	58,948

32. CAPITAL COMMITMENTS

At the balance sheet date, the charity had the following commitments:

Group

	2021	**2020**
Authorised and contracted for		96,133
	-	96,133