

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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

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 Waterloo 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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

- 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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

- **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:

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

- 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

Auditors	Mazars LLP Merck House, Seldown, Poole, Dorset, BH15 1TW National Westminster Bank plc
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

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

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

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

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. Whilst 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:

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

- 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
signed on their behalf, by:

and


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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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).

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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	-
	<u>3,713,624</u>	<u>-</u>	<u>2,030,927</u>	<u>-</u>

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****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).

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****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	<u>(258,690)</u>

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	-	-	-
		<u>657,235</u>	<u>59,279</u>	<u>716,514</u>

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	<u>9,808</u>	<u>12,075</u>

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
	<u>2,107,988</u>	<u>2,282,534</u>

The number of higher paid employees was:

	No.	No.
In the band		
£80,001 - £90,000	1	-
£100,001 - £110,000	<u>-</u>	<u>1</u>

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>142</u>	<u>172</u>

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	<u>269,664</u>	<u>1,062,834</u>

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****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)
	<u>(34,000)</u>	<u>(35,000)</u>

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	<u>22,276</u>	<u>6,906,373</u>	<u>37,606</u>	<u>1,361,277</u>	<u>619,566</u>	<u>8,947,098</u>
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	<u>-</u>	<u>2,727,916</u>	<u>36,134</u>	<u>1,249,043</u>	<u>510,204</u>	<u>4,523,297</u>
Net Book Value						
At 31 March 2022	<u>22,276</u>	<u>4,178,457</u>	<u>1,472</u>	<u>112,234</u>	<u>109,362</u>	<u>4,423,801</u>
At 31 March 2021	<u>22,276</u>	<u>4,361,744</u>	<u>3,176</u>	<u>234,080</u>	<u>72,414</u>	<u>4,693,690</u>
Charity						
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	<u>22,276</u>	<u>6,906,373</u>	<u>-</u>	<u>1,353,807</u>	<u>619,566</u>	<u>8,902,022</u>
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	<u>-</u>	<u>2,727,916</u>	<u>-</u>	<u>1,241,572</u>	<u>510,204</u>	<u>4,479,692</u>
Net Book Value						
At 31 March 2022	<u>22,276</u>	<u>4,178,457</u>	<u>-</u>	<u>112,235</u>	<u>109,362</u>	<u>4,422,330</u>
At 31 March 2021	<u>22,276</u>	<u>4,361,744</u>	<u>-</u>	<u>234,081</u>	<u>72,414</u>	<u>4,690,515</u>

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).

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****19. FIXED ASSET INVESTMENTS****Group**

	Listed securities £
Market Value	
At 1 April 2021	543,388
Revaluations	66,941
	<u>610,329</u>
At 31 March 2022	<u>610,329</u>
Historical Cost	<u>175,000</u>

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
	<u>610,329</u>	<u>2</u>	<u>610,331</u>
At 31 March 2022	<u>610,329</u>	<u>2</u>	<u>610,331</u>
Historical Cost	<u>175,000</u>	<u>2</u>	<u>175,002</u>

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

	2022 £	Group 2021 £	2022 £	Charity 2021 £
Catering supplies	7,917	5,568	-	-

21. CURRENT INVESTMENT

	2022 £	Group 2021 £	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

	2022 £	Group 2021 £	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
	<u>160,861</u>	<u>282,816</u>	<u>161,527</u>	<u>283,812</u>

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Amounts falling due within one year	2022 £	Group 2021 £	2022 £	Charity 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
	<u>389,365</u>	<u>304,576</u>	<u>388,599</u>	<u>301,137</u>

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	<u>59,303</u>	<u>59,303</u>

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

	2022 £	Group 2021 £	2022 £	Charity 2021 £
Finance leases (falling due in less than 5 years)	47,784	97,268	47,784	97,268

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****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)

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****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.

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022****30. PENSION COMMITMENTS (CONTINUED)**

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

	2022	2021
	£	£
Recognised in the Statement of Financial Activities		
Current service cost	(50,000)	(47,000)
Net interest on defined benefit liability	(34,000)	(35,000)
	<u>(84,000)</u>	<u>(82,000)</u>
Total recognised in net income		
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)
	<u>568,000</u>	<u>(43,000)</u>

	2022	2021
	%	%
Main assumptions:		
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
	<u>5,315,000</u>	<u>5,884,000</u>
Closing defined benefit obligation		

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)
	<u>4,195,000</u>	<u>4,253,000</u>

BOROUGH OF HAVANT SPORT AND LEISURE TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022**

31. OPERATING LEASE COMMITMENTS

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

Group	2022	2021
Expiry date:	£	£
Less than 1 year	9,806	9,808
1 - 2 years	9,633	9,591
2 - 5 years	19,115	28,642
	<u>38,554</u>	<u>48,041</u>