

HALO LEISURE SERVICES LIMITED
REPORT OF THE TRUSTEES, STRATEGIC REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CHARITY NO : 1091543
COMPANY NO : 04335715

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for the Year Ended 31 December 2023

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HALO LEISURE SERVICES LIMITED

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT **for the Year Ended 31 December 2023**

The Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the Charitable Company and the Group for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS102) 'Accounting and Reporting by Charities' (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The name of the parent Charitable Company is Halo Leisure Services Limited.

Principal and registered office: Halo Support Centre
Lion Yard
Broad Street
LEOMINSTER
Herefordshire
HR6 8BT

Telephone: 01568 618980

Website: www.haloleisure.org.uk

Company Registration Number: 04335715 (England and Wales)

Charity Registration Number: 1091543

**Trustees during the year under review
and up to the present date:**

**Date of appointment
as Director/Trustee**

**Date of resignation
as Director/Trustee**

R J S Curtis [Chairman]
S Brewster
N A Sellar [Treasurer]
A Cavaghan
C E Edginton
M J Rendall
K Bush
R Whelan
G Hotchen
J Lee

31 August 2023

1 January 2023
1 January 2023
1 January 2023

Chairman: R J S Curtis

Chief Executive: S M Rolfe

Company Secretary: J G Huxley

Auditors: McCabe Ford Williams
Chartered Accountants
Statutory Auditors
Building 1063, Cornforth Drive,
Kent Science Park, Sittingbourne, Kent ME9 8PX

Bankers: National Westminster Bank plc
12 Broad Street
Hereford
HR4 9AH

HALO LEISURE SERVICES LIMITED

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT **for the Year Ended 31 December 2023**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS **- continued**

Solicitors:

T.A. Matthews
32-35 Broad Street
Hereford
HR4 9AR

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees

The Trustees are also the Directors in accordance with the Companies Act 2006. The Board is made up of not less than 5 and no more than 15 Trustees. Trustees are required to retire after a term of three years but may be reappointed for a further three years to a maximum of four consecutive terms of three years. They may be appointed annually for further terms of one year under exceptional circumstances and with unanimous resolution by the Trustees. The Trustees are also members of the Charitable Company which is limited by guarantee.

Structure of the Charity

The Charity is incorporated as a company limited by Guarantee. There is one subsidiary which, through ownership of land, acts as a security to the parent for loans it may have from time to time. The Board of Trustees also act as Directors of the Limited Company and meet regularly during the year. Two sub committees have been established to advise, scrutinise and report to the main Board. These are the Workforce Sub-committee and the Finance, Audit and Compliance Sub-committee. The subsidiary company's Board is made up of a smaller number to the Trustees of the parent with an additional independent member, and report to the main Board on a regular basis.

A Chief Executive is appointed by the Trustees to manage the day to day operations of the Charitable Company, supported by a Senior Management Team.

Induction and training

All Trustees receive induction training with regard to the organisation including its powers and objects and the Charitable Company itself. Regular update and refresher training is also provided regarding their role as Charity Trustees and Charitable Company Trustees.

Organisational structure and decision making process

The Full Board of Trustees retains overall accountability for the management of the Charitable Company and its subsidiaries. It delegates responsibility for day-to-day decision making to the Chief Executive and the Senior Management Team. Finance and Workforce Sub-Committees meet on a regular basis across the year taking responsibility for strategic decision making along with monitoring and review of outcomes. There is a scheme of delegation in place which is reviewed on a cyclical basis.

Remuneration of Key Management Personnel

Remuneration of Key Management Personnel is reviewed annually alongside the other employees of the company by both the Workforce Sub-committee and the Finance, Audit and Compliance Sub-committee, with a recommendation presented to the main Board. No Trustees or Directors receive remuneration other than reimbursement of direct expenses.

Related parties

The Charitable Company works closely with the Local Authorities and bodies who have sub-contracted facility management to the Charity.

The Charitable Company is the sole guarantor of Severn Centre Trust Ltd, which is a registered Charity with similar aims and objects to the Charitable Company.

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT
for the Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Co-operation with other organisations

As a community-based organisation operating in Herefordshire, Bridgend, Shropshire, Gloucestershire and Wiltshire. Halo Leisure Services Limited (Halo) designs its strategic planning and operational service delivery with due regard to partner aims and objectives, as specified in the relevant contractual terms. The annual Business plan specifically identifies how Halo will contribute to delivering on broader social agendas, working with the health, education and voluntary sectors across local authorities and both local and national organisations. As a non-profit making charity Halo actively seeks to expand its operations beyond contractual terms through sourcing grants to support innovative wellbeing activities.

Risk Assessment

The Charitable Company has developed a comprehensive risk register to identify both the risks it faces and risk mitigation measures. This document is reviewed on a regular basis by the Trustees.

OBJECTIVES AND ACTIVITIES

Objectives and aims

- To provide or assist in the provision of facilities for recreation or other leisure time occupation in the interests of social welfare with the intention of improving the conditions of life of those using the facilities;
- To organize events for recreation or leisure time occupation in the interests of social welfare with the objects of improving the conditions of life of those engaging in them;
- To relieve the needs of people who are elderly, sick or who have physical or mental disabilities through the provision of recreational and leisure time activities;
- To promote and preserve good health amongst the population through exercise and sport; and
- To promote physical education and development amongst pupils and students of schools, colleges or establishments for the provision of further or higher education.

Strategic themes

As a Social Enterprise, the Charitable Company takes its role within the communities it serves seriously and sees social responsibility at the heart of all it does. The Charitable Company's four corporate themes are:

1. To provide a customer experience which exceeds expectations which attracts and retains customers in an increasingly competitive marketplace.
2. To deliver innovative products for our customers and partners to encourage healthier lifestyles, drive revenue and combat competition.
3. Employ and reward people who add value through their skills, knowledge and performance while delivering a lean workforce fit for future challenges.
4. To operate a financially sustainable organisation which uses commercial principles to drive performance and achieve our vision and goals.

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT
for the Year Ended 31 December 2023

STRATEGIC REPORT

In common with other providers Halo's market has been characterized by increasing competition, changing customer requirements, cost of living crisis, Local Authority funding restrictions, the fast moving pace of technology and its impact on how people consume leisure. In 2023, Halo faced significant cost pressures from staff costs, primarily increases driven by the National Living Wage, general inflation and the continuing energy cost increases. In the past Halo has used fixed price purchasing arrangements to secure its energy costs. These arrangements terminated in 2022 leaving the company exposed to market volatility, plans were prepared for several scenarios in 2023 but fortunately market pricing allowed for operations to continue with minimal disruption. Many organisations in the leisure sector did not fare so well. A new flexible purchasing agreement has been put in place until March 2026 and for the winter of 2023 a fixed price deal was activated when it became available at a reasonable cost. Some Halo contracts with local authorities also provide protection from energy cost increases.

FUNDRAISING

The Trustees are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its objectives. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation.

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's stated mission and purpose.
- The charity will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

ACHIEVEMENTS AND PERFORMANCE

2023 Performance

These accounts represent the nineteenth year of trading for Halo Leisure Services Limited. (previously trading as The Herefordshire Community Leisure Trust for 2 years)

There were no changes to the estate during 2023 with Halo operating 22 leisure centres across Herefordshire, Bridgend, Shropshire, Gloucestershire and Wiltshire.

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT
for the Year Ended 31 December 2023

STRATEGIC REPORT - continued

FINANCIAL REVIEW

The group has returned a surplus of £3,330,867 (2022: £296,917 deficit) before defined benefit pension remeasurement adjustments for the year ended 31 December 2023.

The Charitable Company continues to target a trading surplus.

The challenge has been addressed by a combination of additional cost savings, business expansion and service development, including modernization of systems and processes driven through investment, leading to improved sustainability and reduction in cost of employment. For example: secure access systems.

Key factors behind the reported performance of the Charitable Company have been:

1. Operational revenue recovering following the end of COVID restrictions.
2. Non-operational revenue boosted by a payment from the Welsh Hardship Scheme of £191,446 and an interest payment related to COVID business interruption insurance of £104,872.
3. Funding of £1,698,000 for the construction of an all weather cycle track in Hereford.

Reserves policy

The Charitable Company's principal financial management policy centers around the need to retain sufficient cash reserves to operate within the Charity Commissions guidelines.

Halo Leisure Services Limited has a relatively favourable cash flow as it receives much of its income in advance of its expenditure, but the impact of inflation and energy costs had a detrimental effect on cash generation from core business trading; leading to capital investment being sourced through financing options. The Trustees recognise the need for a level of financial reserves that will shield the Charitable Company from the possibility of adverse unforeseen circumstances. These include a number of specific risks that have been identified in the Charitable Company's Risk Register. The company's reserves policy is to achieve "a level of reserves sufficient to cover an average of three months expenditure plus a level of reserves sufficient to cover any actuarially determined crystallised pension deficit contribution that may be required, in excess of existing bonds."

The reserves policy suggests a desired level of unrestricted reserves of at least £3.9m, excluding any pension asset or liability. This compares with current unrestricted reserves, excluding the current pension asset, which are £1,630k. Reserves have fallen over recent years due to long lasting effects of the COVID pandemic. The trustees will aim to build reserves. However, this will take a number of years given the continuing uncertainty. The Charitable Company also continues to seek opportunities where it can deliver both social benefit and financial improvement, and to maintain and improve cost control and efficiency across the business. The company is also following advice from the pension fund managers and the pension scheme actuaries to ensure that the pension scheme is funded at a rate which is sufficient, over the next 20 to 25 years.

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT
for the Year Ended 31 December 2023

STRATEGIC REPORT – continued

FINANCIAL REVIEW - continued

Reserves in deficit in the previous year

Before accounting for any asset/liability arising from the Charitable Company's defined benefit pension scheme accumulated reserves for the group amounted to £5,133,447 (2022: £1,802,580), including restricted funds of £3,503,629 (2022: £2,404,513) and unrestricted funds of £1,629,818 (2022: £601,933 deficit).

However, after accounting for the Charitable Company's defined benefit pension scheme asset at the year end of £1,983,000 (2022: £4,747,000, liability) the group has an unrestricted reserve surplus of £3,612,818 (2022: £4,145,067).

The pension asset/liability does not affect the Charitable Company's resources for general application as the Charitable Company pays pension contributions in line with the rates prescribed by professionally qualified actuaries which are calculated to prevent any potential pension deficit in the long term. The Trustees are satisfied that the Charitable Company can meet its obligations as and when they fall due.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a register of the key business risks faced by the Charitable Company and seeks to ensure that appropriate policies are in place to manage, monitor or mitigate those risks.

Much of the Charitable Company's income is received from short term membership commitments and daily till income with no guarantees of renewal. Whereas Halo has longer term commitments to staff and maintenance of the property portfolio. The variance between the timing of Halo's commitments and its customers' commitments is judged to be a risk that Halo faces, along with the stability of some of its key partners in the form of Local Authority funding in the short and medium term.

FUTURE PLANS

Halo will continue to promote an environment of high performance from a happy and well-motivated workforce alongside driving down energy consumption through a combination of good practice and targeted investment. The company will continue to work with its partners to provide the best possible service and promote the overall objectives of preserving and improving good health and wellbeing amongst the population. Halo has a strategic objective to grow through acquisition of new contracts, in circumstances where the geographical proximity complements the existing business. During 2024, work will commence on the replacement of the athletics track at Hereford, which is a major project and has been funded by community and national organisations.

DISABLED PERSONS AND DIVERSITY

The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Halo has a strong commitment to diversity inclusion and engagement and works with partners to target groups and break down barriers to activity and participation, taking positive steps to increase representation and participation from under-represented groups, believing in a culture of safety, value and inclusion.

Halo has partnered with the National Centre for Diversity and has achieved the Investors in Diversity Award during 2023.

REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT
for the Year Ended 31 December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees incorporating a Strategic Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS102 (the financial reporting standard applicable in the UK and R.O.I).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and the principles in the Charities SORP 2019 (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

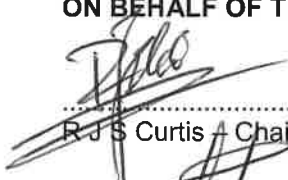
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

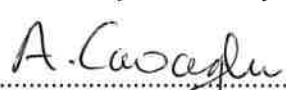
APPROVAL OF REPORTS

In approving the Report of the Trustees, the Trustees of the Charitable Company also approve the Strategic Report in their capacity as Directors.

ON BEHALF OF THE BOARD:


.....
R J S Curtis – Chairman


.....
J G Huxley – Secretary


.....
A Cavaghan – Trustee

Date: 07/08/2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HALO LEISURE SERVICES LIMITED

Opinion

We have audited the consolidated financial statements of Halo Leisure Services Limited Group for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes, 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 (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 charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of 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, 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 TO THE MEMBERS OF **HALO LEISURE SERVICES LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and their 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.

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's and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and charitable company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Charitable Company, including, but not limited to, the Companies Act 2006, UK tax legislation and National Minimum Wage legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HALO LEISURE SERVICES LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Board of Trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and
Chartered Accountants
Building 1063, Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date:

HALO LEISURE SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating a consolidated Income and Expenditure Account and Statement of Other Comprehensive Income) for the Year Ended 31 December 2023

	NOTE	Unrestricted Funds £	Restricted Funds £	FRS 102 s.28 Unrestricted Funds £	Total Funds Year to 31.12.2023 £	Total Funds Year to 31.12.2022 £
INCOME						
Donations and legacies	3	150	499,101	-	499,251	313,164
<i>Income from charitable activities:</i>						
Operation of Leisure sites	4	15,547,323	1,680,301	-	17,227,624	14,123,428
<i>Income from other trading activities:</i>						
Commercial trading operations	5	-	-	-	-	134,527
Investment income	6	42,920	-	-	42,920	368,448
Other income	7	104,870	-	-	104,870	109,293
TOTAL INCOME		15,695,263	2,179,402	-	17,874,665	15,048,860
EXPENDITURE						
<i>Costs of raising funds:</i>						
Commercial trading operations	5	-	-	-	-	41,982
<i>Expenditure on charitable activities:</i>						
Leisure activities	12	13,463,512	1,080,286	(76,000)	14,467,798	16,184,795
TOTAL EXPENDITURE		13,463,512	1,080,286	(76,000)	14,467,798	16,226,777
NET (EXPENDITURE) / INCOME BEFORE TAXATION AND TRANSFERS		2,231,751	1,099,116	76,000	3,406,867	(1,177,917)
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-	-
NET (EXPENDITURE) / INCOME BEFORE ACTUARIAL (LOSSES)/GAINS UNDER FRS102		2,231,751	1,099,116	76,000	3,406,867	(1,177,917)
OTHER RECOGNISED GAINS AND LOSSES						
<i>Remeasurements on defined benefit pension schemes</i>	27	-	-	(2,840,000)	(2,840,000)	18,334,000
NET INCOME / (EXPENDITURE)		2,231,751	1,099,116	(2,764,000)	566,867	17,156,083
FUNDS BROUGHT FORWARD		(601,933)	2,404,513	4,747,000	6,549,580	(10,606,503)
FUNDS CARRIED FORWARD		1,629,818	3,503,629	1,983,000	7,116,447	6,549,580

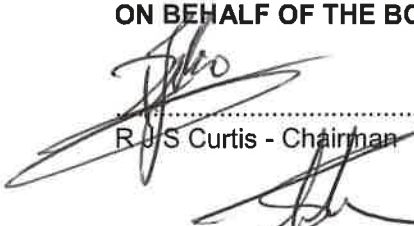
All of the above results are derived from continuing activities. The group has no other recognised gains and losses other than those stated above.

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 December 2023

	Notes	31.12.23 £	£	31.12.22 £	£
FIXED ASSETS					
Intangible assets	14		-		-
Tangible assets	15		<u>13,737,649</u>		<u>13,878,233</u>
			13,737,649		13,878,233
CURRENT ASSETS					
Stocks	17	25,058		40,058	
Debtors	18	376,074		562,663	
Cash at bank and in hand		<u>2,909,656</u>		<u>2,912,962</u>	
		3,310,788		3,515,683	
CREDITORS					
Amounts falling due within one year	19	<u>3,515,949</u>		<u>4,595,655</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(205,161)</u>		<u>(1,079,972)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,532,488		12,798,261
CREDITORS					
Amounts falling due after more than one year	20		(8,320,798)		(10,891,772)
DEFERRED INCOME	24		(78,243)		(103,909)
NET ASSETS BEFORE PENSION (ASSET)/LIABILITY			<u>5,133,447</u>		<u>1,802,580</u>
PENSION (ASSET)/LIABILITY	27		(1,983,000)		(4,747,000)
FUNDS					
Unrestricted income funds	25	3,612,818		4,145,067	
Unrestricted designated funds	25	-		-	
Restricted funds	25	<u>3,503,629</u>		<u>2,404,513</u>	
TOTAL FUNDS	25		<u>7,116,447</u>		<u>6,549,580</u>
			<u>5,133,447</u>		<u>1,802,580</u>

ON BEHALF OF THE BOARD:



R S Curtis - Chairman



J G Huxley - Company Secretary

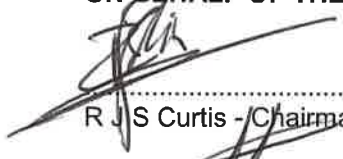
Date:



A Cavaghan - Trustee

COMPANY BALANCE SHEET
31 December 2023

	Notes	31.12.23 £	£	31.12.22 £	£
FIXED ASSETS					
Intangible assets	14		-		-
Tangible assets	15		11,801,350		11,882,790
Investments	16		-		-
			11,801,350		11,882,790
CURRENT ASSETS					
Stocks	17	25,058		40,058	
Debtors	18	369,165		508,846	
Cash at bank and in hand		<u>2,807,286</u>		<u>2,827,845</u>	
		3,201,509		3,376,749	
CREDITORS					
Amounts falling due within one year	19	<u>3,465,964</u>		<u>4,497,564</u>	
NET CURRENT (LIABILITIES)/ASSETS					
			<u>(264,455)</u>		<u>(1,120,815)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			11,536,895		10,761,975
CREDITORS					
Amounts falling due after more than one year	20		(8,320,798)		(10,891,772)
DEFERRED INCOME					
	24		(78,243)		(103,909)
NET LIABILITIES BEFORE PENSION (ASSET)/LIABILITY					
			<u>3,137,854</u>		<u>(233,706)</u>
PENSION (ASSET)/LIABILITY					
	27		(1,983,000)		(4,747,000)
FUNDS					
Unrestricted income funds	25	3,546,206		4,097,456	
Unrestricted designated funds	25	-		-	
Restricted funds	25	<u>1,574,648</u>		<u>415,838</u>	
TOTAL FUNDS					
	25		<u>5,120,854</u>		<u>4,513,294</u>
			<u>3,137,854</u>		<u>(233,706)</u>

ON BEHALF OF THE BOARD:


.....
R J S Curtis - Chairman



.....
J G Huxley - Company Secretary



.....
A Cavaghan - Trustee

Date:

The notes form part of these financial statements

HALO LEISURE SERVICES LIMITED**CONSOLIDATED CASH FLOW STATEMENT**
for the Year Ended 31 December 2023

	Notes	Year to 31.12.23 £	Year to 31.12.22 £
Cash flows from operating activities			
Cash generated from operations	1	2,802,754	628,616
Proceeds from sale of investment		-	(350,000)
Interest received		(42,920)	(18,448)
Net cash from operating activities		<u>2,760,464</u>	<u>260,168</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,486,050)	(541,037)
Proceeds from sale of investment		-	350,000
Proceeds from fixed asset disposal		-	2,263
Interest received		42,920	18,448
Net cash from investing activities		<u>(2,443,130)</u>	<u>(170,326)</u>
Cash flows from financing activities			
New finance lease agreements in year		148,680	-
Repayment of bank loans		(150,000)	(150,000)
Hire purchase repayments in year		(208,056)	-
Interest element of hire purchase and lease payments		(111,264)	(468,806)
Net cash from financing activities		<u>(320,640)</u>	<u>(618,806)</u>
Change in cash and cash equivalents in the reporting period		<u>(3,306)</u>	<u>(528,964)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,912,962</u>	<u>3,441,926</u>
Cash and cash equivalents at the end of the reporting period	2	<u>2,909,656</u>	<u>2,912,962</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2023

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 31.12.23 £	Year to 31.12.22 £
Net movement in funds	566,867	17,156,083
Actuarial (gains)/losses on defined benefit pension schemes	2,840,000	(18,334,000)
Interest element of hire purchase/finance lease payments	111,264	468,806
Depreciation/amortisation charges	838,154	702,999
Losses on asset revaluation	1,783,370	-
Gain on finance lease revaluation	(4,189,337)	-
Decrease/(increase) in stocks	15,000	(5,690)
(Profit)/loss on disposal	-	(2,263)
Decrease/(increase) in debtors	186,589	(59,184)
Increase/(decrease) in creditors	752,513	(153,469)
Movement in deferred capital grants	(25,666)	(25,666)
Difference between pension charge, including finance costs, and cash contributions	<u>(76,000)</u>	<u>881,000</u>
Net cash inflow from operating activities	<u>2,802,754</u>	<u>628,616</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Year to 31.12.23 £	Year to 31.12.22 £
Cash in hand and at bank	<u>2,909,656</u>	<u>2,912,962</u>
Total cash and cash equivalents	<u>2,909,656</u>	<u>2,912,962</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	31.12.2022	Cash Flows	Non-Cash Changes		31.12.2023
			New Finance Leases / Bank Loans	Other non- cash changes	
Cash in hand & bank	2,912,962	(3,306)	-	-	2,909,656
Debt due within one year	(2,362,088)	196,974	(50,851)	1,686,115	(529,850)
Debt due greater than one year	(10,891,772)	-	(97,829)	2,668,803	(8,320,798)
	<u>(10,340,898)</u>	<u>193,668</u>	<u>(148,680)</u>	<u>4,354,918</u>	<u>(5,940,992)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

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

Going concern

Revenue has continued to recover through 2023 following the COVID-19 disruption of the previous years and this has been enhanced by price increases to cover both general inflationary increases and the wage cost increases driven by changes to the National Living Wage.

Cost of utilities, primarily gas and electricity, remain a risk, although prices have softened through 2023. Halo has an agreement in place for forward purchases when pricing is favourable but this is not a fixed price contract. This means Halo continues to be exposed to short/medium term price shocks.

Group and charitable company cash flow forecasts have been produced based on revenue and cost forecasts for the foreseeable future. These forecasts indicate that the group and charitable company will remain within the group's financing facilities for the foreseeable future and will be able to meet their financial obligations as they fall due.

The Board of Trustees has determined that the actions that it has taken mitigate the uncertainties and has therefore prepared the financial reporting on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Functional currency and presentation currency

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

Funds

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

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

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

Income recognition

Items of income are recognised and included in the accounts when all of the following criteria are met:

- i. the Charitable Company has entitlement to the funds;
- ii. any performance conditions attached to the items of income have been met or are fully within the control of the Charitable Company;
- iii. there is sufficient certainty that receipt of the income is considered probable; and
- iv. the amount can be measured reliably.

Income represents net sales of goods and services, excluding Value Added Tax and discounts to customers and management fees. Income received in respect of future events has been deferred and will be released when the event is complete or over the period to which the income relates. Membership income is deferred over the period of membership.

Management fee

The management fee is unrestricted funding which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company. Income received for capital expenditure is treated as deferred income and is credited to the Statement of Financial Activities by instalments over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Expenditure recognition

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

Support costs

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

Irrecoverable VAT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Individual fixed assets costing £2,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives.

In respect of leases held over the leisure facilities, capitalised when deemed to be finance leases due to their duration, cost is determined on the basis of the net present value of minimum lease payments calculated in accordance with the Charitable Company's incremental borrowing rate.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold Property	- 2% on cost
Leasehold Property	- over remaining term of lease
Improvements to Property	- over remaining term of lease
Plant and Machinery	- straight line over 10 years, 15% on cost
Fixtures and Fittings	- straight line over 5 years, 15% on cost
Fitness Equipment	- straight line over 5 years and straight line over 3 years
Computer Equipment	- straight line over 3 years

Intangible fixed assets

Amortisation is provided at the following annual rate in order to write off the asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Computer Software	- straight line over 3 or 5 years
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Stocks

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

Group financial statements

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiaries Halo Leisure Enterprises Limited (up to the date of sale of the company) and Severn Centre Trust Ltd on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

Charitable Company status

The Charitable Company is a company limited by guarantee. At 31 December 2023 there were nine members, each of whom, on winding up, has undertaken to contribute an amount not exceeding £1.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES – continued

Service Concession Arrangements

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

Property, plant and equipment

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres, so that the Charitable Company can provide the public service it is contracted to provide, not to effectively own these public service assets. The leased buildings are for such a length of time that they are recognized as finance leases on the Charitable Company's Balance Sheet however other assets leased from the Local Authority are not recognised on the Charitable Company's Balance Sheet.

Receipts

The Charitable Company receives an agreed payment from the Authority each year which is adjusted each year by inflation and can be reduced if the Charitable Company fails to meet availability and performance standards in any year but which is otherwise fixed.

In cases where the receipt from the Authority includes funding for specific works to be carried out in accordance with specifications laid down in the contract but which has not been spent at the year end a provision is included in the financial statements to reflect this.

Taxation

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

Leasing and hire purchase

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

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

Government grants

Government grants are recognised when the performance related conditions imposed upon the receipt of the grant have been met. Where these have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable. During the year, the following grants were received:

Government Business Grants relating to the retail, hospitality and leisure industries awarded during the lockdown periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES – continued

Pension costs and other post-retirement benefits

The Charitable Company accounts for the pension scheme in accordance with the Financial Reporting Standard 102.

The Charitable Company operates three defined benefits pension schemes for which pension charges are based on full actuarial valuations dated 31 March 2022, rolled forward to the balance sheet date, for the Worcestershire County Council Pension Fund, Shropshire County Pension Fund and the Rhondda Cynon Taf County Borough Council Pension Fund. A further defined benefit pension scheme is operated in respect of the Gloucestershire Local Government Pension scheme however this is not recognized on the balance sheet of the charitable company due to a pass-through arrangement.

The Charitable Company provides pension benefits for eligible staff through these administered pension schemes. The administered schemes are multi-employer schemes which provide benefits based upon final pensionable pay.

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

The defined benefit scheme is funded, and the assets of the scheme are held separately from those of the charity in a trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on long dated high quality corporate bonds of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. See note 27 for further information in connection with the Charitable Company's defined benefit schemes.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuations performed have been used by the actuaries in valuing the pensions liability at 31 December 2023. . Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability. In determining the value of the pension asset/liability the impact of an asset ceiling has been included to assess for recoverability, in accordance with the requirements of FRS102.

The recoverability of certain assets and valuation of investments within the Local Government Pension Fund may have been impacted by COVID-19, however it is not possible to determine at the current time to what extent that is.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

2. FINANCIAL ACTIVITIES OF THE CHARITABLE COMPANY

The financial activities shown in the Consolidated Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiaries, Halo Leisure Enterprises Limited to the date of sale and Severn Centre Trust Ltd.

A summary of the financial activities undertaken by the Charitable Company is set out below:

	Year to 31.12.23 £	Year to 31.12.22 £
Incoming resources excluding gift aid from subsidiary	17,637,510	14,683,487
Expenditure on charitable activities	(14,189,950)	(15,871,413)
Net (expenditure)/income	3,447,560	(1,187,926)
Actuarial (losses)/gains on defined benefit pension schemes	2,840,000	18,334,000
	607,560	17,146,074
Distribution from subsidiary	-	86,712
	<u>607,560</u>	<u>17,232,786</u>

3. DONATIONS AND LEGACIES

	Unrestricted funds 31 December 2023 £	Restricted funds 31 December 2023 £	Total funds Year to 31 December 2023 £	Total funds Year to 31 December 2022 £
National Exercise Referral Scheme (see note 25)	-	197,635	197,635	182,441
Donations	150	-	150	-
Other project grants	-	301,466	301,466	130,723
Total	<u>150</u>	<u>499,101</u>	<u>499,251</u>	<u>313,164</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 31 December 2023 £	Restricted funds 31 December 2023 £	Total funds Year to 31 December 2023 £	Total funds Year to 31 December 2022 £
Operation of leisure centres	14,056,787	1,372,647	15,429,434	12,267,853
Management fee	1,464,870	-	1,464,870	1,576,674
Government grants	25,666	307,654	333,320	278,901
Total	<u>15,547,323</u>	<u>1,680,301</u>	<u>17,227,624</u>	<u>14,123,428</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

5. INCOME FROM OTHER TRADING ACTIVITIES

A summary of the trading results of the subsidiary, Halo Leisure Enterprises Limited, that was wholly owned until its sale in July 2022 is shown below:

	Year to 31.12.22
	£
Turnover	134,527
Cost of sales and administration costs (including intra-group)	<u>(41,982)</u>
Net profit	<u>92,545</u>

The subsidiary company gift aided its profits to the parent Charitable Company at the point of sale.

Included within Turnover is £nil (2022: £nil) of sales to other group companies and £nil (2022: £350,000) in sales proceeds of the trading subsidiary.

Included within Costs of sales and administration costs is £nil (2022: £5,833) of management fees payable to the parent charitable company, Halo Leisure Services Limited.

6. INVESTMENT INCOME

	Unrestricted funds 31 December 2023 £	Restricted funds 31 December 2023 £	Total funds Year to 31 December 2023 £	Total funds Year to 31 December 2022 £
Interest received	42,920	-	42,920	18,448
Proceeds from sale of investment	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Total	<u>42,920</u>	<u>-</u>	<u>42,920</u>	<u>368,448</u>

7. OTHER INCOME

	Unrestricted funds 31 December 2023 £	Restricted funds 31 December 2023 £	Total funds Year to 31 December 2023 £	Total funds Year to 31 December 2022 £
Insurance claim	<u>104,870</u>	<u>-</u>	<u>104,870</u>	<u>109,293</u>
Total	<u>104,870</u>	<u>-</u>	<u>104,870</u>	<u>109,293</u>

In 2023, the Group received £104,870 (2022: £109,293) of income related to a Covid Business Interruption Claim on its insurance policy.

8. NET EXPENDITURE/INCOME OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net surplus after the gift aid of profits from the subsidiary, proceed of its sale and actuarial gains/losses under defined benefit schemes for the financial year was £607,560 (2022: £17,232,786).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

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

	Year to 31.12.23	Year to 31.12.22
	£	£
Wages and salaries	8,249,440	7,214,199
Social security costs	553,710	502,948
Other pension costs	<u>636,090</u>	<u>1,216,734</u>
	<u>9,439,240</u>	<u>8,933,881</u>

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

	Year to 31.12.23	Year to 31.12.22
Leisure Centres	607	522
Support	57	55
Management and administration	<u>4</u>	<u>4</u>
	<u>668</u>	<u>581</u>

The average monthly full-time equivalent number of employees during the period was as follows:

	Year to 31.12.23	Year to 31.12.22
Leisure Centres	215	205
Support	47	45
Management and administration	<u>4</u>	<u>4</u>
	<u>266</u>	<u>254</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	Year to 31.12.23	Year to 31.12.22
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

During the year, Trustees received £nil remuneration (2022: £Nil) and Trustees received £nil benefits in kind (2022: £nil).

The Trustees neither received nor waived any emoluments during the year.

During the year, expenses of £304 (2022: £219) were reimbursed to Trustees of the Charitable Company for travel expenses to board meetings.

The total amount of employee benefits received by key management personnel is £395,932 (2022: £384,940). The trust considers its key management personnel comprise of the Chief Executive, Finance Director, HR Director and Operations Director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

10. NET INCOME FOR THE YEAR

The net income is stated after charging:

	Year to 31.12.23 £	Year to 31.12.22 £
Equipment repairs, maintenance and lease	138,130	221,169
Depreciation - owned assets	503,924	338,438
Depreciation - assets on hire purchase contracts or finance leases	334,230	356,512
Computer software amortisation	-	8,051
Impairment losses on tangible fixed assets	1,783,370	-
Auditors remuneration	26,870	25,000
Non audit work – statutory accounts preparation	<u>8,200</u>	<u>6,223</u>

11. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31.12.23 £	Year to 31.12.22 £
Finance lease and hire purchase interest	(4,068,780)	468,806
	<u>(4,068,780)</u>	<u>468,806</u>

12. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Direct costs £	Staff costs £	Support costs £	Total for Year to 31.12.23 £	Total for Year to 31.12.22 £
Leisure centres	<u>4,794,720</u>	<u>9,439,240</u>	<u>233,838</u>	<u>14,467,798</u>	<u>16,184,795</u>

Major components of Support Costs

	Year to 31.12.23 £	Year to 31.12.22 £
Premises Costs	1,569,090	1,404,829
Advertising & Promotions	66,940	60,760
Office Administration	348,784	256,262
Finance and Compliance	(3,702,790)	873,261
Other Finance Costs re FRS 102	(225,000)	224,000
Irrecoverable VAT	871,860	777,958
Equipment Repairs, Maintenance and Lease	138,130	221,169
Other Costs	1,131,754	843,826
Governance Costs	<u>35,070</u>	<u>31,223</u>
	<u>233,838</u>	<u>4,693,288</u>

All staff and support costs relate to the sole activity of the Charitable Company and its wholly owned charitable subsidiary, being the provision of leisure facilities. Governance costs are made up of auditor's remuneration of £26,870 (2022: £25,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	NOTE	Unrestricted Funds £	Restricted Funds £	FRS 102 s.28 Unrestricted Funds £	Total Funds Year to 31.12.2022 £
INCOME					
Donations and legacies	3	-	313,164	-	313,164
<i>Income from charitable activities:</i>					
Operation of Leisure sites	4	13,707,590	415,838	-	14,123,428
<i>Income from other trading activities:</i>					
Commercial trading operations	5	134,527	-	-	134,527
Investment income	6	368,448	-	-	368,448
Other income	7	109,292	-	-	109,292
TOTAL INCOME		14,319,858	729,002	-	15,048,859
EXPENDITURE					
<i>Costs of raising funds:</i>					
Commercial trading operations	5	41,982	-	-	41,982
<i>Expenditure on charitable activities:</i>					
Leisure activities	12	13,900,077	1,403,718	881,000	16,184,795
TOTAL EXPENDITURE		13,942,059	1,403,718	881,000	16,226,777
NET (EXPENDITURE) / INCOME BEFORE TAXATION AND TRANSFERS		377,799	(674,716)	(881,000)	(1,177,917)
TAXATION					
<i>Taxation on trading profit</i>		-	-	-	-
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-
NET INCOME BEFORE ACTUARIAL (LOSSES)/GAINS UNDER FRS102		377,799	(674,716)	(881,000)	(1,183,751)
OTHER RECOGNISED GAINS AND LOSSES					
<i>Remeasurements on defined benefit pension schemes</i>	27	-	-	18,334,000	18,334,000
NET INCOME / (EXPENDITURE)		377,799	(674,716)	17,453,000	17,156,083
FUNDS BROUGHT FORWARD		(979,732)	3,079,229	(12,706,000)	(10,606,503)
FUNDS CARRIED FORWARD		(601,933)	2,404,513	4,747,000	6,549,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

14. INTANGIBLE FIXED ASSETS

Group

Computer
software
£

COST

At 1 January 2023

27,363

Disposals

(27,363)

At 31 December 2023

-

AMORTISATION

At 1 January 2023

27,363

Amortisation eliminated on disposal

(27,363)

At 31 December 2023

-

NET BOOK VALUE

At 31 December 2023

-

At 31 December 2022

-

Company

Computer
software
£

COST

At 1 January 2023

27,363

Disposals

(27,363)

At 31 December 2023

-

AMORTISATION

At 1 January 2023

27,363

Amortisation eliminated on disposal

(27,363)

At 31 December 2023

-

NET BOOK VALUE

At 31 December 2023

-

At 31 December 2022

-

HALO LEISURE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2023**

15. TANGIBLE FIXED ASSETS

Group	Freehold property	Leasehold property	Improvement to property	Plant and machinery	Fixtures and fittings	Fitness equipment	Computer equipment	Assets Under Construction	Totals
	£	£	£	£	£	£	£		£
COST									
At 1 January 2023	2,297,613	10,395,137	3,404,711	888,592	864,958	1,685,709	107,464	424,211	20,068,395
Additions	-	-	1,773,450	319,080	52,150	125,000	216,370	-	2,486,050
Disposals	-	-	(39,160)	(630,800)	(265,620)	(962,790)	(36,420)	-	(1,934,790)
Reclassification	-	-	424,211	-	-	-	-	(424,211)	-
Revaluation	-	(1,783,370)	-	-	-	-	-	-	(1,783,370)
At 31 December 2023	2,297,613	8,611,767	5,563,212	576,872	651,488	847,919	287,414	-	18,836,285
DEPRECIATION									
At 1 January 2023	308,937	669,849	2,437,389	772,917	611,822	1,350,851	38,397	-	6,190,162
Charge for year	59,694	139,310	315,980	66,380	67,760	129,290	59,740	-	838,154
Eliminated on disposal	-	-	(39,160)	(630,630)	(260,670)	(962,790)	(36,420)	-	(1,929,680)
At 31 December 2023	368,631	809,159	2,714,209	208,667	418,912	517,351	61,717	-	5,098,636
NET BOOK VALUE									
At 31 December 2023	1,928,982	7,802,608	2,849,003	368,205	232,576	330,568	225,697	-	13,737,649
At 31 December 2022	1,988,676	9,725,288	967,322	115,675	253,136	334,858	69,067	424,211	13,878,233

continued...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

15. TANGIBLE FIXED ASSETS - continued

Group - continued

Cost or valuation at 31 December 2023 is represented by:

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
Initial valuation	-	10,395,137	-	-
Valuation in 2023	-	(1,783,370)	-	-
Cost	<u>2,297,613</u>	<u>-</u>	<u>5,563,212</u>	<u>576,872</u>
	<u>2,297,613</u>	<u>8,611,767</u>	<u>5,563,212</u>	<u>576,872</u>

	Fixtures and fittings £	Fitness equipment £	Computer equipment £	Totals £
Initial valuation	-	-	-	10,395,137
Valuation in 2023	-	-	-	(1,783,370)
Cost	<u>651,488</u>	<u>847,919</u>	<u>287,414</u>	<u>10,224,518</u>
	<u>651,488</u>	<u>847,919</u>	<u>287,414</u>	<u>18,836,285</u>

If long leasehold property had not been revalued it would have been included at the following historical cost:

	31.12.23	31.12.22
	£	£
Cost	<u>-</u>	<u>-</u>
Aggregate depreciation	<u>-</u>	<u>-</u>

HALO LEISURE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2023

15. TANGIBLE FIXED ASSETS - continued

Group - continued

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

	Leasehold property £	Improvement to property £	Plant and machinery £	Fixtures and fittings £	Fitness equipment £	Computer equipment £	Totals £
COST							
At 1 January 2023	10,395,137	612,914	7,551	555,121	719,151	-	12,289,874
Additions	-	-	148,680	-	-	-	148,680
Disposals	-	-	(7,550)	(41,460)	(438,190)	-	(487,200)
Transfer to ownership	-	-	-	(20,560)	-	-	(20,560)
Revaluation	(1,783,370)	-	-	-	-	-	(1,783,370)
At 31 December 2023	8,611,767	612,914	148,681	493,101	280,961	-	10,147,424
DEPRECIATION							
At 1 January 2023	669,849	452,092	7,390	277,990	489,287	-	1,896,608
Charge for year	139,310	58,670	160	54,840	81,250	-	334,230
Elimination on disposal	-	-	(7,550)	(44,460)	(438,190)	-	(490,200)
Transfer to ownership	-	-	-	(6,300)	-	-	(6,300)
At 31 December 2023	809,159	510,762	-	282,070	132,347	-	1,734,338
NET BOOK VALUE							
At 31 December 2023	7,802,608	102,152	148,681	211,031	148,614	-	8,413,086
At 31 December 2022	9,725,288	160,822	161	277,131	229,864	-	10,393,266

continued...

HALO LEISURE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

15. TANGIBLE FIXED ASSETS - continued

Company

	Leasehold property £	Improvement to property £	Plant and machinery £	Fixtures and fittings £	Fitness equipment £	Computer equipment £	Assets Under Construction	Totals £
COST								
At 1 January 2023	10,395,137	3,404,707	841,175	861,054	1,685,711	107,464	424,211	17,719,459
Additions	-	1,773,450	316,572	52,152	125,003	216,372	-	2,483,549
Disposals	-	(39,161)	(597,946)	(265,622)	(962,721)	(36,424)	-	(1,901,944)
Reclassification		424,211	-	-	-	-	(424,211)	-
Revaluation	(1,783,370)	-	-	-	-	-	-	(1,783,370)
At 31 December 2023	8,611,767	5,563,207	559,801	647,584	847,923	287,412	-	16,517,694
DEPRECIATION								
At 1 January 2023	669,849	2,437,386	732,268	607,919	1,350,850	38,397	-	5,836,669
Charge for year	139,310	315,984	64,437	67,760	129,286	59,742	-	776,519
Eliminated on disposal	-	(39,161)	(597,786)	(260,671)	(962,792)	(36,424)	-	(1,896,844)
At 31 December 2023	809,159	2,714,209	198,919	415,008	517,344	61,715	-	4,716,344
NET BOOK VALUE								
At 31 December 2023	7,802,608	2,848,998	360,892	232,576	335,509	225,697	-	11,801,350
At 31 December 2022	9,725,288	967,321	108,907	253,135	334,861	69,067	424,211	11,882,790

continued...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

15. TANGIBLE FIXED ASSETS - continued

Company - continued

Cost or valuation at 31 December 2023 is represented by:

	Long leasehold £	Improvements to property £	Plant and machinery £
Valuation in 2023	(1,783,370)	-	-
Cost	10,395,137	5,563,207	559,801
	<u>8,611,767</u>	<u>5,563,207</u>	<u>559,801</u>

	Fixtures and fittings £	Fitness equipment £	Computer equipment £	Totals £
Valuation in 2023	-	-	-	(1,783,370)
Cost	647,584	847,923	287,412	18,301,064
	<u>647,584</u>	<u>847,923</u>	<u>287,412</u>	<u>16,517,694</u>

If long leasehold property had not been revalued it would have been included at the following historical cost:

	31.12.23 £	31.12.22 as restated £
Cost	<u>10,395,137</u>	<u>-</u>
Aggregate depreciation	<u>809,159</u>	<u>-</u>

HALO LEISURE SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2023

15. TANGIBLE FIXED ASSETS - continued

Company - continued

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

	Leasehold property £	Improvement to property £	Plant and machinery £	Fixtures and fittings £	Fitness equipment £	Computer equipment £	Totals £
COST							
At 1 January 2023	10,395,137	612,914	7,551	555,121	650,440	-	12,221,163
Additions	-	-	148,678	-	-	-	148,678
Disposals	-	-	(7,551)	(41,461)	(438,190)	-	(487,202)
Transfer to ownership	-	-	-	(20,561)	-	-	(20,561)
Revaluation	(1,783,370)	-	-	-	-	-	(1,783,370)
At 31 December 2023	8,611,767	612,914	148,678	493,099	212,250	-	10,078,708
DEPRECIATION							
At 1 January 2023	669,849	452,092	7,390	279,490	420,576	-	1,829,397
Charge for year	139,315	58,671	161	54,843	81,246	-	334,235
Eliminated on disposal	-	-	(7,551)	(44,460)	(438,191)	-	(490,202)
Transfer to ownership	-	-	-	(6,303)	-	-	(6,303)
At 31 December 2023	809,164	510,763	-	283,570	63,630	-	1,667,127
NET BOOK VALUE							
At 31 December 2023	7,802,603	102,151	148,678	209,529	148,620	-	8,411,581
At 31 December 2022	9,725,287	160,824	161	275,632	229,864	-	10,391,766

continued...

HALO LEISURE SERVICES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2023**16. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
COST	
At 1 January 2023	-
Disposals	<u>-</u>
At 31 December 2023	<u>-</u>
NET BOOK VALUE	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>-</u>

Halo Leisure Services Limited is the 100% controlling company of Severn Centre Trust Limited, a company limited by guarantee.

Subsidiary**Severn Centre Trust Ltd**

Nature of business: Provision of leisure facilities

	% holding	31.12.23	31.12.22
Class of shares:			
Limited by guarantee	100.00	£	£
Aggregate funds		<u>1,995,598</u>	<u>2,037,613</u>

17. STOCKS

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Stocks	<u>25,058</u>	<u>40,058</u>	<u>25,058</u>	<u>40,058</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Trade debtors	221,664	424,516	149,560	370,358
Amounts owed by group undertakings	-	-	66,320	3,506
Other debtors	12,520	32,042	12,520	32,042
Prepayments and accrued income	<u>141,890</u>	<u>106,105</u>	<u>140,765</u>	<u>102,940</u>
	<u>376,074</u>	<u>562,663</u>	<u>369,165</u>	<u>508,846</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Finance leases & hire purchase (note 21)	379,850	2,212,088	379,850	2,212,088
Trade creditors	1,304,690	694,773	1,296,310	681,421
Other creditors	60,110	89,950	59,810	89,401
Other Taxes and PAYE	391,879	294,914	383,569	265,611
Accruals	1,115,864	982,352	1,094,683	936,201
Deferred income	113,556	171,578	101,742	162,842
Bank loans	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
	<u>3,515,949</u>	<u>4,595,655</u>	<u>3,465,964</u>	<u>4,497,564</u>

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Deferred income (excluding capital grants)				
Deferred income at 1 January	171,578	252,317	162,842	243,084
Resources deferred in the year	113,556	171,578	101,742	162,842
Amounts released from previous periods	<u>(171,578)</u>	<u>(252,317)</u>	<u>(162,842)</u>	<u>(243,084)</u>
Deferred income at 31 December	<u>113,556</u>	<u>171,578</u>	<u>101,742</u>	<u>162,842</u>

Deferred income at 31 December 2023 represents annual leisure membership income and swimming courses income, where the consideration has been received in the year ended 31 December 2023 but the services were provided in the year ending 31 December 2024.

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

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Finance leases & hire purchase (note 21)	8,045,798	10,466,772	8,045,798	10,466,772
Bank loans	<u>275,000</u>	<u>425,000</u>	<u>275,000</u>	<u>425,000</u>
	<u>8,320,798</u>	<u>10,891,772</u>	<u>8,320,798</u>	<u>10,891,772</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

21. FINANCE LEASES AND HIRE PURCHASE

An analysis of the maturity of finance lease and hire purchase agreements is given below:

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Due in less than 1 year	379,850	2,212,088	379,850	2,212,088
Due between 1-2 years	406,590	381,348	406,590	381,348
Due between 2-5 years	835,500	1,049,026	835,500	1,049,026
Due in more than 5 years	6,803,708	9,036,398	6,803,708	9,036,398
	<u>8,425,648</u>	<u>12,678,860</u>	<u>8,425,648</u>	<u>12,678,860</u>

22. SECURED DEBTS

At the year end there were £425,000 in secured debts included within creditors (2022: £575,000). The debenture dated 9 September 2020 is over all assets of the company. The loan is further secured over all the assets of subsidiary, Severn Centre Trust Ltd, by way of fixed and floating charges.

Charges dated 4 April 2012 and 28 July 2015 are held in favour of National Westminster Bank plc over bank deposit balances of £91,100 and £27,000 and all amounts credited to the charitable company's bank account in the future.

23. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

Group	Land and buildings		Other operating leases	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Payments falling due:				
Within one year	-	-	11,769	12,498
Within one to two years	-	-	7,872	7,872
Within two to five years	-	-	7,216	15,088
	<u>-</u>	<u>-</u>	<u>26,857</u>	<u>35,458</u>
Company				
	Land and buildings		Other operating leases	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Payments falling due:				
Within one year	-	-	11,769	12,498
Within one to two years	-	-	7,872	7,872
Within two to five years	-	-	15,088	15,088
	<u>-</u>	<u>-</u>	<u>26,857</u>	<u>35,458</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

24. DEFERRED INCOME

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Deferred capital grants	<u>78,243</u>	<u>103,909</u>	<u>78,243</u>	<u>103,909</u>

During the year £25,666 (2022: £25,891) of deferred capital grants were released into the Statement of Financial Activities as income.

25. RECONCILIATION OF MOVEMENTS IN FUNDS

Group

	Unrestricted Funds £	Restricted Funds £	Totals £
At 1 January 2023	4,145,067	2,404,513	6,549,580
Incoming resources	15,695,263	2,179,402	17,874,665
Outgoing resources	(13,387,512)	(1,080,286)	(14,467,798)
Actuarial gains on defined benefit schemes	(2,840,000)	-	(2,840,000)
At 31 December 2023	<u>3,612,818</u>	<u>3,503,629</u>	<u>7,116,447</u>

Company

	Unrestricted Funds £	Restricted Funds £	Totals £
At 1 January 2023	4,097,456	415,838	4,513,294
Incoming resources	15,458,108	2,179,402	17,637,510
Outgoing resources	(13,169,358)	(1,020,592)	(14,189,950)
Actuarial gains on defined benefit schemes	(2,840,000)	-	(2,840,000)
At 31 December 2023	<u>3,546,206</u>	<u>1,574,648</u>	<u>5,120,854</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

25. RECONCILIATION OF MOVEMENTS IN FUNDS - continued

Restricted Funds – Group

	At 1 January 2023 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 December 2023 £
NERS scheme	-	197,635	(197,635)	-	-
Severn Centre Building Fund	1,988,675	-	(59,694)	-	1,928,981
Cycle Track	-	1,680,302	(107,149)	-	1,573,153
Other restricted project income	415,838	301,465	(715,808)	-	1,495
Total	2,404,513	2,179,402	(1,080,286)	-	3,503,629

Restricted Funds – Company

	At 1 January 2023 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 December 2023 £
NERS scheme	-	197,635	(197,635)	-	-
Cycle Track	-	1,680,302	(107,149)	-	1,573,153
Other restricted project income	415,838	301,465	(715,808)	-	1,495
Total	415,838	2,179,402	(1,020,592)	-	1,574,648

NERS scheme

The Charitable Company received grant funding from the Welsh Government in relation to the National Exercise Referral Scheme.

Severn Centre Building Fund

The buildings were funded by grants and are restricted for use by the Severn Centre as leisure facilities. The balance is reducing as the buildings depreciate and agrees to the balance of the relevant tangible fixed asset.

Cycle Track

Grants and community funding have been received to build a 1km cycle track in Hereford.

Other restricted project income

The charity is in receipt of a number of smaller grants and income, which are restricted for use towards the costs of the projects to which the grants or income relate to.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

25. RECONCILIATION OF MOVEMENTS IN FUNDS - continued

Unrestricted Funds – Group

	At 1 January 2023 £	Incoming Resources £	Outgoing Resources £	Gains, losses, & transfers £	At 31 December 2023 £
Unrestricted pension	4,747,000	-	76,000	(2,840,000)	1,983,000
Unrestricted general	(601,933)	15,695,263	(13,463,512)	-	1,629,818
Total unrestricted	4,145,067	15,695,263	(13,387,512)	(2,840,000)	3,612,818

Unrestricted Funds – Company

	At 1 January 2023 £	Incoming Resources £	Outgoing Resources £	Gains, losses, & transfers £	At 31 December 2023 £
Unrestricted pension	4,747,000	-	76,000	(2,840,000)	1,983,000
Unrestricted general	(649,544)	15,458,108	(13,245,358)	-	1,563,206
Total unrestricted	4,097,456	15,458,108	(13,169,358)	(2,840,000)	3,546,206

26. COMPARATIVE YEAR MOVEMENTS IN FUNDS

Group

	Unrestricted Funds £	Restricted Funds £	Totals £
At 1 January 2022	(13,685,732)	3,079,229	(10,606,503)
Incoming resources	14,319,858	729,002	15,048,860
Outgoing resources	(14,823,059)	(1,403,718)	(16,226,777)
Actuarial gains on defined benefit schemes	18,334,000	-	18,334,000
At 31 December 2022	<u>4,145,067</u>	<u>2,404,513</u>	<u>6,549,580</u>

Company

	Unrestricted Funds £	Restricted Funds £	Totals £
At 1 January 2022	(13,751,202)	1,031,710	(12,719,492)
Incoming resources	14,041,197	729,002	14,770,199
Outgoing resources	(14,526,539)	(1,344,874)	(15,871,413)
Actuarial gains on defined benefit schemes	18,334,000	-	18,334,000
At 31 December 2022	<u>4,097,456</u>	<u>415,838</u>	<u>4,513,294</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

26. **COMPARATIVE YEAR MOVEMENTS IN FUNDS – continued****Restricted Funds – Group**

	At 1 January 2022 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 December 2022 £
NERS scheme	477,295	182,441	(659,736)	-	-
Severn Centre Building Fund	2,047,519	-	(58,844)	-	1,988,675
Asset improvement grant - Pencoed	129,850	-	(129,850)	-	-
Other restricted project grants	424,565	546,561	(555,288)	-	415,838
Total	3,079,229	729,002	(1,403,718)	-	2,404,513

Restricted Funds – Company

	At 1 January 2022 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 December 2022 £
NERS scheme	477,295	182,441	(659,736)	-	-
Asset improvement grant - Pencoed	129,850	-	(129,850)	-	-
Other restricted project grants	424,565	546,561	(555,288)	-	415,838
Total	1,031,710	729,002	(1,344,874)	-	415,838

NERS scheme

The Charitable Company received grant funding from the Welsh Government in relation to the National Exercise Referral Scheme.

Severn Centre Building Fund

The buildings were funded by grants and are restricted for use by the Severn Centre as leisure facilities. The balance is reducing as the buildings depreciate and agrees to the balance of the relevant tangible fixed asset.

Asset Improvement Grant – Pencoed

A grant received which is restricted for the use towards improving the assets at the Pencoed Leisure Centre.

Other restricted project grants

The charity is in receipt of a number of smaller grants, which are restricted for use towards the costs of the projects to which the grants relate to.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

26. COMPARATIVE YEAR MOVEMENTS IN FUNDS – continued

Unrestricted Funds – Group

	At 1 January 2022 £	Incoming Resources £	Outgoing Resources £	Gains, losses, & transfers £	At 31 December 2022 £
Unrestricted pension	(12,706,000)	-	(881,000)	18,334,000	4,747,000
Unrestricted general	(979,732)	14,319,858	(13,942,059)	-	(601,933)
Total unrestricted	(13,685,732)	14,319,858	(14,823,059)	18,344,000	4,145,067

Unrestricted Funds – Company

	At 1 January 2022 £	Incoming Resources £	Outgoing Resources £	Gains, losses, & transfers £	At 31 December 2022 £
Unrestricted pension	(12,706,000)	-	(881,000)	18,334,000	4,747,000
Unrestricted general	(1,045,202)	14,041,197	(13,645,539)	-	(649,544)
Total unrestricted	(13,751,202)	14,041,197	(14,526,539)	18,344,000	4,097,456