

1610 LIMITED

England & Wales - Charity number 1130010

Details

Other names SOMERSET LEISURE LIMITED

Status Registered

Legal form Charitable company

Company number [06727055](#)

Registered 2009-06-05

Register [View on the Charity Commission register](#)

Contact

Address Trinity Sports and Leisure
Chilton Street
Bridgwater
Somerset
TA6 3JA

Phone 07480228766

Website www.1610.org.uk

Activities

Objects: 2.1. THE ADVANCEMENT AND SUPPORT OF EDUCATION, CULTURE, ARTS, HERITAGE AND HISTORY INCLUDING THE PROVISION OF LIBRARIES, MUSEUMS, GALLERIES, LEARNING AND INFORMATION CENTRES, ARCHIVES AND OTHER RELATED SERVICES;2.2. THE PROVISION OR ASSISTANCE IN THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION IN THE INTERESTS OF SOCIAL WELFARE SUCH FACILITIES BEING PROVIDED TO THE PUBLIC AT LARGE SAVE THAT SPECIAL FACILITIES MAY BE PROVIDED TO PERSONS WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, POVERTY OR SOCIAL OR ECONOMIC CIRCUMSTANCES MAY HAVE NEED OF SPECIAL FACILITIES OR SERVICES;2.3. THE PROMOTION AND PRESERVATION OF GOOD HEALTH THROUGH COMMUNITY PARTICIPATION IN HEALTHY RECREATION, INCLUDING BY THE PROVISION OF FACILITIES FOR PLAYING SPORT AND PHYSICAL ACTIVITY;2.4. THE ADVANCEMENT OF EDUCATION IN PHYSICAL EDUCATION AND SPORT;2.5. SUCH OTHER CHARITABLE PURPOSES BENEFICIAL TO THE PUBLIC CONSISTENT WITH THE OBJECTS ABOVE AS THE TRUSTEES SHALL IN THEIR ABSOLUTE DISCRETION DETERMINE.

Activities: 1. The advancement and support of education, cultural services and other related provision.2. The delivery/ management of leisure and recreation facilities- provision for hard to reach groups and key target groups that have barriers to participation3. The promotion and delivery of health and wellbeing

programmes4. PE and sport5. Other appropriate charitable proposes that have public benefit

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** SOMERSET AND THE WIDER SOUTH WEST REGION
- Devon
- Dorset
- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,337,176	£3,550,438	£421,954	167
2024-03-31	£3,227,370	£3,225,505	£635,216	158
2023-03-31	£3,297,583	£4,183,077	£924,764	161
2022-03-31	£4,383,312	£4,187,852	£1,261,258	203
2021-03-31	£3,502,797	£3,730,778	£919,798	274

Trustees

Name	Role	Appointed
Alan Peter Rustad		2024-07-31
David Talbut		2025-10-30

1610 LIMITED

England & Wales - Charity number 1130010

Accounts

REGISTERED COMPANY NUMBER: 06727055 (England and Wales)
REGISTERED CHARITY NUMBER: 1130010

1610 LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

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

	Page
Reference and Administrative Details	1
Chairman's Report	2
Report of the Trustees	3 to 12
Report of the Independent Auditors	13 to 16
Statement of Financial Activities	17
Statement of Financial Position	18
Statement of Cash Flows	19
Notes to the Statement of Cash Flows	20
Notes to the Financial Statements	21 to 39

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2025

TRUSTEES	R Cardwell (resigned 30.10.25) P J Harvey (resigned 30.10.25) J S Kelly (resigned 30.10.25) A P Rustad (appointed 1.8.24) B J Hayward (resigned 31.7.24) M Winlow (resigned 31.7.24) D Talbut (appointed 30.10.25)
COMPANY SECRETARY	D Talbut
REGISTERED OFFICE	Trinity Sports & Leisure Chilton Street Bridgwater Somerset TA6 3JA
REGISTERED COMPANY NUMBER	06727055 (England and Wales)
REGISTERED CHARITY NUMBER	1130010
INDEPENDENT AUDITORS	McCabe Ford Williams Statutory Auditors and Chartered Accountants Building 1063 Cornforth Drive Kent Science Park Sittingbourne Kent ME9 8PX
SOLICITORS	Winckworth Sherwood Arbor 255 Blackfriars Road London SE1 9AX
CHIEF EXECUTIVE OFFICER	R Hayes

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Welcome to the 1610 Ltd 2024/25 Trustee report.

The 2024/2025 year has seen some major changes to the governance and structure of 1610 Limited. The Trustees appointed a preferred bidder during the 2024/25 year following extensive work with consultants Strategic Leisure. The preferred bidder appointed was Wealden Leisure Limited. In August 2024, 1610 Limited became a wholly owned subsidiary of Wealden Leisure Limited. This provided 1610 with wider support and stability.

The business continued the trend from recent years and grew organically in key revenue lines. 1610 sites continued to experience organic growth in fitness memberships. In recent years swim memberships have grown organically but the trust found that this growth slowed in 2024/25 but remains an important revenue line for 1610 business. The management team has remained consistent throughout 2024/25, which has contributed to improved business continuity.

This evolution of the trust has come about to achieve the following aims and objectives:

- Protect the 1610 Limited legacy
- Maintain the 1610 brand and standards
- To protect the 1610 workforce
- To ensure continuity of community output

The restructure of the company has seen changes to board members and developing lines of reporting and supervision within the organisation.

While the current Senior Leadership team and senior managers have remained in place the scope for additional support from professionals and experts has become far more extensive.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

1610 Trust purposes are defined in the objects set out in the company's Memorandum of Association and can be summarised as follows:

- The advancement and support of education, cultural services, and other related provision through direct management of facilities or related activity programmes.
- The delivery and management of leisure, recreation, and sports facilities particularly with a focus on provision for 'hard to reach' groups and key target groups that have barriers to participation.
- The promotion and delivery of health and wellbeing programmes with an emphasis on sport and physical activity. . - The advancement of physical education and sport.
- Other charitable proposals that have public benefit which are consistent with the core objectives of the trust.

1610 Trust seeks to deliver high quality services to Somerset and wider Southwest communities. The core aims of our work is to develop 1610 facilities and programmes to improve health, sporting / leisure abilities and participation; contribute to raising the quality of life for the general community and supporting schools in their development of young people. Throughout this work, Trustees recognise that there is a need to ensure that the Trust observes Charity Commission guidance on public benefit to ensure alignment with activities and the core Trust aims and objectives.

This model often provides isolated or small rural communities with access to local sports, health, and learning facilities / programmes where there would be insufficient volumes of people to make dedicated leisure centres viable.

Through this network of centres, 1610 delivers a diverse programme, often being asked to target hard to reach groups, those that are financially or socially excluded, isolated communities or to work in areas with significant deprivation issues. 1610 works with groups and individuals creating many examples of life changing experiences. They are often achieved through using leisure / sport / health and fitness as a catalyst for altering the direction of a person's life or by providing new opportunities for a whole community.

Public benefit

The Trustees confirm that they complied with the duties in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Charity Commission general guidance on public benefit was used when reviewing objectives and when planning future activities. In particular the Trustees considered how planned activities will contribute to the strategic aims they set.

STRATEGIC REPORT

Achievements and performance

Charitable activities

In 2024/25 the Trust operated 3 leisure centres on behalf of local Councils in the Southwest UK. These facilities provide community access to sporting / leisure / fitness services ensuring local rural facilities are available to everyone and the promotion of a fit and healthy lifestyle. Complementing the leisure contracts is one 1610 leased facility that operate fitness, health, and wellbeing programmes.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Achievements and performance

Managing delivery of our aims

Senior Managers and the Trustees review the Trust aims, objectives and delivery on an annual basis against the yearly business plan that includes contractual targets and the annual budgets. Each department of the Trust produces annual work stream plans to enable successful programme delivery and overall development of the Trust business.

Through the UK Growth Accelerator Programme, 1610 fully embedded the Vision Orbit (VO) strategic business tool to review and develop the organisations performance. The annual VO, Vital Few and Single Page Plan form the basis of business planning within the company. Staff members at every level of the organisation use this tool to align activities.

During the 2024/25 year the Trust managed a series of public sector service contracts in Southwest England:

- A ten-year contract with Futures for Somerset, to operate two dual use leisure facilities as part of the PFI Building Schools for the Future initiative in Bridgwater, Somerset. In 2020 the Futures for Somerset leisure contract was extended for a further five years to end in September 2025.
- A ten-year contract with Dorset Council to operate the 8.5m Dorchester Leisure Centre in Dorchester. Dorset Council extended this contract beyond October 2022 - to April 2024. A further contract variation was agreed during the 2023/24 year to extend this contract to April 2026.

The status of each contract is set out in the key activities section below. Each contract has a comprehensive performance framework that is monitored quarterly / annually by the Senior Leadership Team and the various Council contract commissioning bodies.

What sets 1610 apart from other fitness/leisure providers is the changing role of the Trust - it is much more than just management of leisure centres. Since 2012 the Trust has actively pursued a wider community role, by increasing the choice of activities - from healthy living initiatives, adult learning programmes to workforce development and training for the leisure industry. Health and wellbeing are however the platform and common denominator to the activities, and the reason 1610 has an enormous impact on people's lives.

Key KPIs for the Trust are:

- Number of people attending our sites.
- Meeting fitness standards.
- Number of customer complaints, linked to customer satisfaction.
- Health & Wellbeing attendances.
- Number of effective community and club partnerships.
- Numbers of Children enrolled on Swim Programmes.
- Number of Trust fitness members.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Financial position

Full financial details are in the audited accounts.

The headline financial information for 2024/25:

- The company turnover increased from £3,227,370 in 2023/24 to £3,337,176 in 2024/2025.
- Generally, income trended ahead of expected projections for the year, with overall income almost 2% ahead of projections.
- Key income successes included sports pitch usage and pool block bookings usage
- The trust also performed well in fitness membership income - an important outcome as it accounts for a large percentage of overall turnover.
- The trust continues to encounter higher property costs due to the ageing condition of one of the key contracts in place.
- Expenditure controls have remained stringent throughout the year.
- The Trust began repayments on the COVID Bounce Back Loan in Dec 2021, the balance remaining as of March 2025 is £17,354
- While the trust's performance has improved in performance in many ways, increases in our cost base has resulted in the trust ending the year in a £210,264 deficit. Staff costs increased as a result of minimum wage and pay award impacts. Utilities costs were higher than the previous year due to tariff increases. Depreciation charges increased due to forthcoming contract expiry dates.
- Despite posting a deficit position cash in the bank as risen from £476,905 to £574,011 as of March 2025.

Investment policy and objectives

The majority of funds that the Trust generates on an annual basis is committed to annual operations. It is unlikely, in the short or medium term, that there will be significant funds generated for long term investment. The Board is keen to make provision for the development and growth of the reserve fund. However, it is important that the Trust uses its cash to develop business and support the agreed charitable outcomes. Cash in hand is held in a special interest-bearing account with NatWest. The bank offers a basic treasury service to maximise the investment of these funds whilst covering day to day operational business needs.

Reserves policy

The Trustees recognise the requirement to establish a reserves policy; in setting the reserves policy the Trustees have considered the need to manage resources for the benefit of the charity's aims and objectives and to maintain financial stability, considering the risks and potential impact in the current economic environment. The Trust Board review the reserve policy annually and has a policy of holding a minimum Reserve of £200,000. As income covers operational costs the need to maintain reserves is based on any unforeseen call on funds, and for future capital and operational expenditure. This has been determined based on the Trust Risk Register; identifying the fiscal impact of these risks being realised, and future of the Trust.

Reserves at the year end were £421,954 (2024 : £635,216), of this restricted funds were £1,302 (2024 : £1,302). Unrestricted funds were £420,652 (2024: £633,914). This level of reserves is acceptable as it meets the minimum reserves policy and allows the Trust to set aside resources to meet the requirements of the National Living Wage and for future investment projects.

The Reserves Policy is annually reviewed.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Going concern

After the balance sheet date it has been agreed that the trade and assets of the charity will be transferred to its parent Wealden Leisure Limited. This transfer will be achieved once Charity Commission approval has been sought. Once the transfer has happened it is the boards intention to dissolve the charitable company. Accordingly the financial statements are prepared on a basis other than going concern. It is anticipated that the trade will continue uninterrupted as it transfers to the parent, and accordingly there are no adjustments made to the carrying value of assets and liabilities as at 31 March 2025.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Principal risks and uncertainties

A full review of the Business Risk Register takes place throughout the year; this is reviewed on a regular basis and the Board is presented with a Business Risk Improvement Plan at each Board meeting, together with any additional risks that are identified. The risk assessment covers all areas of the business including operational, financial, compliance, external and governance risks, particularly in the light of any new projects undertaken and changes to the political climate and local economies.

The current principal risks and uncertainties faced by the Trust are:

- " Impact of the increase in energy cost linked to global events and trends.
- " Recruitment and retention of staff.
- " Further extension of existing 1610 public sector contracts.
- " Reliance on low margin activities.
- " Major Plant failure at sites where 1610 has full repairing liabilities.
- " Growth of online leisure providers / Home fitness market / new outdoor leisure provision.
- " Loss of key management (Trustee/CEO/SLT).
- " Failure of Duty of Care (Health & Safety and safeguarding).
- " The remaining short timespan on the two remaining Council leisure services contracts.
- " Financial viability of a much smaller Trust operation particularly linked to inflation costs.

Systems and processes have been put in place to manage and mitigate the risks 1610 face.

- " For health and safety and safeguarding, both in-house and external consultants are used to assess operational performance, highlight risk management issues and actions needed and provide on-going training.
- " All staff undergo formal training and regular updates and courses to ensure they understand their responsibilities regarding safeguarding. Recruitment processes are robust ensuring everyone follows due process, and all staff are Disclosure and Barring Service (DBS) cleared before they can commence employment with the Trust.
- " The Trust uses QUEST, a national accredited quality assurance sports framework, to externally assess all aspects of operational performance - highlighting excellence and areas for improvements.
- " These external processes support periodic reviews at Board level prompting adjustment to operations as risks change or new challenges arise.
- " Mentor NatWest is available, on demand, for external HR support and advice.

Robust and rigorous financial processes are in place to ensure performance is regularly reviewed on a daily / weekly and monthly level and corrective action taken quickly.

Whilst significant reliance is placed on the CEO and SLT's skills; each has a dedicated team supporting them and no individual works in isolation, ensuring adequate cover can be put in place immediately, temporary cover could also be provided by recruiting external professionals, together with support from the Trustees.

At a more strategic level, legal and financial risks are identified and mitigated through our work with professional advisers and auditors.

1610 continually strives to improve their margins by developing their own branded products and reviewing work practices to ensure the Trust operates as efficiently as possible. 1610 remains flexible in its approach to ensure it can adapt to changes in legislation and contractual requests.

Pool plant failure will always remain a risk that is difficult for 1610 to mitigate against, however we collaborate closely with our contractual partners to ensure the plant is maintained appropriately where it is our direct contractual responsibility to do so.

Risk management is a standing item on the monthly Senior Leadership Team agenda and quarterly Board agenda.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial and risk management objectives and policies

The Trustees are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate, and manage the key risks.

- a) Price risk - The charity is exposed to price risk as a result of its operations. Due to the economic climate and new leisure budget operator competition the charity must sell and provide services at competitive price to maintain membership levels.
- b) Credit risk - Due to the charity's activities, credit is very rarely given. Any credit extended to customers is subject to appropriate review and monitoring.
- c) Liquidity risk - Trustees are regularly updated on cash flow and financial risk. Support has been requested by the Trust from financial advisors and commercial lenders to help manage the Trust business.
- d) Cash flow risk - the CEO / Finance Team have provided the Board with quarterly updates on cashflow through the year. In addition to updates when significant changes have occurred. Cashflow can be tracked daily via the Xero finance system. This data is available to all Trustees and Senior staff daily.
- e) Economic risk - The charity's performance is directly impacted by the economic environment. To manage this risk, the charity strives to deliver competitively priced products and services. The charity is actively concentrating on improving efficiency and reducing costs.
- f) Credit Rating - the Trust is aware that it is essential to maintain a strong, positive financial profile. The Trust credit rating is reviewed periodically to monitor the health of the Trust finances.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Future plans

Historically, the Trust prepares annual business plans and financial forecasts for the delivery of commissioned services and developmental work. In recent years the business plans have been simplified. This approach will largely remain the same.

The 2025/26 Trust Plan set out:

1. As a minimum success measure 1610 to achieve a surplus budget position by March 2026
2. To position 1610 as an environmentally conscious business and ensuring truly sustainable approaches are taken
3. Drive staff retention of colleagues who exhibit the 1610 DNA, values and team first approach.
4. Assess 1610's social value impact as a charity and identify key metrics that is reported to 1610 stakeholders to highlight the impact of its charitable work.
5. Review all front of house systems.
6. Implement new trust timeline planning tool to organise strategic and top end operational planning approaches.
7. Increase the Wellness membership base by a further 15% by March 2026
8. To rollout 1610 marketing strategy tailored to each facility to help deliver its financial outcomes as set out in the budgets.
9. To improve the quality of service and offer at every 1610 centre by setting out quality assurance metrics.

Financial viability remains paramount for the Trust. This will involve a continuation of building back, growing and sustaining the usual 1610 business income streams.

In addition to building back the business levels the trust will have to carefully navigate rapidly approaching contract horizons and work collaboratively with key partners and stakeholders to secure a future legacy for 1610 Limited.

The trust will continue to work in collaboration with its new parent company Wealden Leisure Limited in 2025/2026 to ensure that the charitable objectives are met.

Subsequent to the balance sheet date the Board has agreed that the trade and assets of the charitable company will be transferred to the parent once Charity Commission authorisation has been granted. The future plans for the leisure centres will be aligned with the parent company's strategic and charitable plans for the future. The plans for both organisations are already very much aligned towards improving lives through leisure and working with local authority partners to increase the number of local residents using the facilities and help them to be more active, more often.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

1610 Limited is a charitable company limited by guarantee, incorporated on 17 October 2008, and registered as a charity on 5 June 2009. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Principal Activities

In 2024/25 the Trust operated 3 leisure centres on behalf of local Councils in the Southwest UK. These facilities provide community access to sporting / leisure / fitness services ensuring local rural facilities are available to everyone and the promotion of a fit and healthy lifestyle. Complementing the leisure contracts is one 1610 leased facility that operates fitness, health, and wellbeing programmes.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Directors of the company are also charity Trustees for the purposes of charity law. They are elected to serve for 3 years retiring on the third anniversary of their appointment, after which they may be re-elected for a further 3 years. They must retire at the end of that period and may not be re-elected until the expiry of 1 year from their retirement unless the Trustees consider that it would be in the best interests of the Charity for a particular Trustee or Trustees to continue to serve beyond that period and that Trustee or those Trustees are reappointed in accordance with the company's articles of association. Potential new Trustees are identified through networking and recommendation; it is important to us that Trustees understand our ethos from the outset and are passionate about what we do.

In 2024-25 one new trustee was appointed to the board, as part of the changes in structure to the organisation and as part of Wealden Leisure Limited acquisition of 1610 as a wholly owned subsidiary. The board currently consists of 4 trustees.

Organisational structure

1610 is strategically managed by a Trust Board comprising of Trustee Directors. The Board traditionally meet four times per annum. Due to the strategic direction adopted by the board in 2024/25 the board met more regularly.

For part of the 24/25 year the Board was serviced by a part time Company Secretary, along with specialist advisers to 1610 e.g. Accountants / Legal / Consultants attend Board meetings to advise Trustees as required. Due to changes in structure in August 2024, further support was obtained via the new parent company for 1610, Wealden Leisure Limited.

The Board delegates responsibility for daily operations to the Chief Executive and General management team and later in the year to its newly chosen parent company, Wealden Leisure Limited. This team has responsibility for the delivery of contractual outcomes, service specifications and to agree on Key Performance Indicators. Further pathways of delegation are in place from the CEO / general management team through to the wider management Team to operate the Trust business units across multiple venues in the Southwest.

Operational standards are defined through nationally recognised quality leisure management systems/frameworks that comprehensively document activities and processes for staff at all levels.

Induction and training of new trustees

New Trustees are invited to meet the Senior Leadership Team and Board members and are given a short induction at Trinity Sport and Leisure centre HQ to advise them on the operations, activities, and key personnel within the Trust. These sessions are led by the Chief Executive and other key senior staff and include:

- A welcome pack: including materials related to the Trust operations and governance (including the financial accounts), legal status and guidance from the Charity Commission on the responsibilities, obligations, and liabilities of becoming a Trustee.
- Trustees are offered the chance to shadow a Trust Board meeting.
- New Trustees are given an opportunity to visit one of the main Trust leisure operations to familiarise themselves with the core work and to meet Trust staff.
- New Trustees are also encouraged to contact the Chair of the Trust, a fellow Trustee, or the Company Secretary to gain a further insight into the day- to- day business and ethos of the organisation.
- Trustees are regularly updated on training opportunities at Board sessions including key functions around safeguarding and health and safety.
- All Trustees are given an induction as part of the Trust health and safety policy. Core training on health/safety and safeguarding is delivered to the Board on an annual basis or as and when significant changes to policy or UK Law dictate the need for a refresh.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

Remuneration for all job roles is evaluated according to the role and level of responsibility; and this applies to members of SLT (Senior Leadership Team), and the CEO. CEO remuneration is separately reviewed, set by the Trustees and agreed annually by the Board. SLT and the CEO have clear objectives both in their area and at a strategic level; this is incorporated into the Trust's Vision Orbit Business Plan. These objectives are reviewed on a regular basis both at SLT level and at regular "job chats," which are the equivalent to appraisals. The CEO reports to the Board on the objectives together with performance of those objectives.

The impact of Living wage remains a major annual financial pressure for the Trust. Maintaining pay differentials is a difficult balancing act given the need to compete within an increasingly price aggressive sector

1610 has faced significant pressure in pay due to the changes in the employment market and workers moving across sectors for higher paid employment. Given the current financial position of 1610 there is little opportunity to increase pay beyond statutory awards.

Employee information

1610 is dependent on the skill and enthusiasm of its employees to achieve its business and charitable objectives. The Trustees are therefore committed to effective employee communication and equal opportunities. The selection, training development and promotion policies ensure equal opportunities for all employees regardless of gender, marital status, race, age, or disability. Internal communications are designed to ensure that employees are well informed about the activities of the charity and staff attitudes are researched so that the Senior Leadership Team can respond positively to the ideas and needs of employees.

The Trust continued to 'buy-in' external support for HR matters through Mentor HR services until 1610 was acquired by Wealden Leisure Limited, from this point onwards, 1610 has reduced the use of this service and instead draws down on the experience and expertise from the parent company's in-house experts.

Recruitment and retention of staff continues to apply pressure to 1610 due to broader challenges within the employment market. This is made more difficult by key national themes being attributed specifically to the leisure industry where it is typically recognised there are national workforce shortages. Staffing levels have fluctuated throughout the year but remain lean with the total number of staff circa 160 subject to fluctuations.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of 1610 Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 ~~NOVEMBER~~ 2025 and signed on the board's behalf by:



A P Rustad - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
1610 LIMITED

Opinion

We have audited the financial statements of 1610 Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 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 the provisions available for small entities, in the circumstances set out in note 26 to the financial statements, 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

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 28 of the financial statements which explains that after the balance sheet date it has been agreed that the trade and assets of the charitable company will be transferred to the parent. It is the intention post transfer to dissolve the charitable company. Accordingly the financial statements have been prepared on a basis other than going concern as described in the going concern accounting policy. Our opinion is not modified in respect of this matter.

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, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 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
1610 LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
1610 LIMITED

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 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 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 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 company, including, but not limited to, the Companies Act 2006, the Charity Statement of Recommended Practice, and UK tax 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 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.

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 where applicable.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
1610 LIMITED

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 directors 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.



Clair Rayner FCA DChA (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: 6/11/2025.....

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

	Notes	Unrestricted funds £	Restricted fund £	31.3.25 Total funds £	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	15,231	-	15,231	14,835
Charitable activities					
Charitable activities	5	3,171,393	-	3,171,393	3,061,146
Other trading activities	3	142,534	-	142,534	145,641
Investment income	4	8,018	-	8,018	5,748
Total		<u>3,337,176</u>	<u>-</u>	<u>3,337,176</u>	<u>3,227,370</u>
EXPENDITURE ON					
Raising funds	6	74,701	-	74,701	76,427
Charitable activities					
Charitable activities	7	3,475,737	-	3,475,737	3,149,078
Total		<u>3,550,438</u>	<u>-</u>	<u>3,550,438</u>	<u>3,225,505</u>
NET INCOME/(EXPENDITURE)					
Other recognised gains/(losses)		(213,262)	-	(213,262)	1,865
Actuarial gains/(losses) on defined benefit schemes		-	-	-	(18,000)
Net movement in funds		(213,262)	-	(213,262)	(16,135)
RECONCILIATION OF FUNDS					
Total funds brought forward		633,914	1,302	635,216	651,351
TOTAL FUNDS CARRIED FORWARD		<u>420,652</u>	<u>1,302</u>	<u>421,954</u>	<u>635,216</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2025

	Notes	Unrestricted funds £	Restricted fund £	31.3.25 Total funds £	31.3.24 Total funds £
FIXED ASSETS					
Tangible assets	13	270,858	-	270,858	509,460
Investments	14	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		270,859	-	270,859	509,461
CURRENT ASSETS					
Stocks	15	12,053	-	12,053	10,940
Debtors	16	109,284	-	109,284	135,150
Cash at bank		<u>572,709</u>	<u>1,302</u>	<u>574,011</u>	<u>476,905</u>
		694,046	1,302	695,348	622,995
CREDITORS					
Amounts falling due within one year	17	(537,231)	-	(537,231)	(482,883)
NET CURRENT ASSETS					
		<u>156,815</u>	<u>1,302</u>	<u>158,117</u>	<u>140,112</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		427,674	1,302	428,976	649,573
CREDITORS					
Amounts falling due after more than one year	18	(7,022)	-	(7,022)	(17,357)
PENSION ASSET					
	23	-	-	-	3,000
NET ASSETS					
		<u>420,652</u>	<u>1,302</u>	<u>421,954</u>	<u>635,216</u>
FUNDS					
Unrestricted funds	22			420,652	633,914
Restricted funds				<u>1,302</u>	<u>1,302</u>
TOTAL FUNDS					
				<u>421,954</u>	<u>635,216</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6 November 2025 and were signed on its behalf by:



A P Rustad - Trustee

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	142,259	41,255
Interest paid		<u>(703)</u>	<u>-</u>
Net cash provided by operating activities		<u>141,556</u>	<u>41,255</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(14,350)	(10,544)
Interest received		<u>8,018</u>	<u>5,748</u>
Net cash used in investing activities		<u>(6,332)</u>	<u>(4,796)</u>
Cash flows from financing activities			
Loan repayments in year		(10,081)	(10,648)
Hire purchase new borrowing/(repayments)		<u>(28,037)</u>	<u>20,544</u>
Net cash (used in)/provided by financing activities		<u>(38,118)</u>	<u>9,896</u>
Change in cash and cash equivalents in the reporting period		97,106	46,355
Cash and cash equivalents at the beginning of the reporting period		<u>476,905</u>	<u>430,550</u>
Cash and cash equivalents at the end of the reporting period		<u>574,011</u>	<u>476,905</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

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

	31.3.25 £	31.3.24 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(213,262)	1,865
Adjustments for:		
Depreciation charges	255,954	152,588
Interest received	(8,018)	(5,748)
Interest paid	703	-
Impairment of fixed assets	-	(54,190)
Interest paid	-	3,418
Increase in stocks	(1,113)	(3,651)
Decrease/(increase) in debtors	25,866	(40,427)
Increase/(decrease) in creditors	<u>82,129</u>	<u>(12,600)</u>
Net cash provided by operations	<u>142,259</u>	<u>41,255</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank	<u>476,905</u>	<u>97,106</u>	<u>574,011</u>
	<u>476,905</u>	<u>97,106</u>	<u>574,011</u>
Debt			
Finance leases	(32,659)	28,037	(4,622)
Debts falling due within 1 year	(10,078)	(254)	(10,332)
Debts falling due after 1 year	<u>(17,357)</u>	<u>10,335</u>	<u>(7,022)</u>
	<u>(60,094)</u>	<u>38,118</u>	<u>(21,976)</u>
Total	<u>416,811</u>	<u>135,224</u>	<u>552,035</u>

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

General Information

1610 Limited carries out its objects as noted in the Trustees' annual report. The charitable company is a company limited by guarantee and is incorporated and domiciled in England. The address of the principal and registered office is Trinity Sports and Leisure, Chilton Street Bridgwater, Somerset, TA6 3JA. The charitable company also operates from a number of addresses being the leisure centres that it operates.

Presentation currency

The presentation currency is £ sterling.

Going Concern

The Trustees have considered the going concern requirement and are of the opinion that, following a decision after the year end to transfer all trade and assets to the parent, the accounts should be prepared on a basis other than going concern. It is anticipated that the activities will continue uninterrupted as they transfer to the parent, according there are no adjustments to be made to the carrying values of assets and liabilities as at 31 March 2025.

Summary of significant accounting policies

The principal accounting policies adopted, the critical accounting estimates, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been applied consistently unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are set out below.

(a) The company has an obligation to pay pensions benefits to certain employees. The cost of these benefits are the present value of the obligation depend on a number of factors., including: Life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the disclosures relating to the defined benefit pension scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

(b) Revenue from gym memberships is recognised over the period of the membership on a straight-line basis, reflecting the period over which the services are provided to the customer. Deferred income represents membership fees received in advance of the period to which they relate. The estimation uncertainty arises in determining the portion of membership income that relates to future periods at the reporting date. Management's key assumption is that the benefits of membership are consumed evenly over the membership period, and therefore revenue is recognised on a time-apportioned basis.

(c) Expenditure is recognised on an accruals basis to reflect goods and services received before the year-end that have not yet been invoiced or to reflect goods and services that have not yet been delivered at the year end but have been invoiced. The estimation of accrued or prepaid expenditure is based on one or more of the following:

Purchase orders raised for goods or services received but not yet invoiced at the reporting date.

Invoices received after the reporting date that relate to the reporting period.

Invoices received during the reporting period that relate to a future reporting period.

Apportionment of costs where services or contracts span the financial year-end, calculated on a pro-rata basis by reference to the service period covered.

Judgement is required to determine the completeness of accrued / prepaid liabilities and the appropriate level of accrual / prepayment for each category of expenditure.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Where the criteria for recognition are met in advance of grants actually being received then the income is recognised within the statement of financial activities and amount due included within accrued income in debtors.

Where income is received in advance, it is included within deferred income in creditors until the income recognition criteria are met.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be fully recovered and is reported as part of support costs.

Raising funds comprises all costs associated with raising additional funds for Charity through vending and other sales.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Expenditure

Charitable activities comprise all costs directly incurred in undertaking activities to fulfil the Charity's objects, together with any support costs allocated in accordance with the support cost accounting policy as described below.

Other expenditure represents those items not falling into any other heading.

Support costs include administration and head office costs not directly attributable to particular charitable activities are apportioned to charitable activities as detailed in note 8 to the financial statements. .

Tangible fixed assets

Tangible fixed assets costing over £500 are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life:

Leasehold Improvements		straight-line over the remaining lease term
Sports equipment:	Cardio equipment	straight-line over 10 years or over the remaining lease term.
	Resistance equipment	straight-line over 10 years or over the remaining lease term.
All other fixtures and equipment		straight-line over 10 years.
Computer software		straight -line over 10 years.

Stocks

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

Fund accounting

The unrestricted general fund represents the accumulation of the Charity's income and expenditure that has not been earmarked for a specific projects and is not considered by the Trustees to be for a restricted purpose. To the extent that the fund is represented by readily realisable assets it provides a means of financing the day-to-day operations.

Designated funds represent amounts set aside by the Trustees for a particular purpose.

Restricted funds represent the funds received by the Charity for particular purposes as directed by the donors.

Pension costs and other post-retirement benefits

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset/liability recognised in the balance sheet in respect of the defined benefit plan is the shortfall/excess of the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. annually the company engages independent actuaries to calculate the obligation . The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments (discount rate).

The fair value of plan assets is measured in accordance with FRS102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of financial activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement of net defined benefit liability".

The cost of the defined benefit plan, recognised in the profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i) The increase in pension benefit liability arising from employee service during the period: and
- ii) The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the statement of financial activities as a finance expense.

Investments in Subsidiary Undertakings

Investments in subsidiary undertakings are measured at cost and reviewed annually for impairment. On the basis that the subsidiary is not material to the group, consolidated accounts have not been prepared.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

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

Financial instruments

Basic financial assets, including trade and other debtors, cash and bank balances and investments in term deposits are initially recognised at transaction price. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. Any impairment losses are recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade and other creditors are measured at amortised cost using the effective interest method. Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Hire purchase and leasing commitments

Assets obtained under hire purchasing contracts or finance leases are capitalised on the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

2. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Donations	<u>15,231</u>	<u>14,835</u>

3. OTHER TRADING ACTIVITIES

	31.3.25	31.3.24
	£	£
Vending & bar sales.	<u>142,534</u>	<u>145,641</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

4. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Deposit account interest	<u>8,018</u>	<u>5,748</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.25	31.3.24
	Activity	£	£
Leisure centre income	Charitable activities	1,556,105	1,505,109
Management fee income	Charitable activities	355,817	344,350
Membership income	Charitable activities	1,249,445	1,198,712
Other income	Charitable activities	<u>10,026</u>	<u>12,975</u>
		<u>3,171,393</u>	<u>3,061,146</u>

6. RAISING FUNDS**Other trading activities**

	31.3.25	31.3.24
	£	£
Opening stock	10,940	7,289
Purchases	74,702	80,079
Closing stock	<u>(10,941)</u>	<u>(10,941)</u>
	<u>74,701</u>	<u>76,427</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Charitable activities	<u>2,739,168</u>	<u>736,569</u>	<u>3,475,737</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

8. SUPPORT COSTS

	Management £	Finance £	Other 3 £	Governance costs £	Totals £
Charitable activities	<u>656,546</u>	<u>2,474</u>	<u>3,000</u>	<u>74,549</u>	<u>736,569</u>

9. NET INCOME/(EXPENDITURE)

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

	31.3.25 £	31.3.24 £
Auditors' remuneration	20,004	14,550
Taxation advisory services	4,158	28,605
Auditors remuneration for accountancy services	-	6,925
Depreciation - owned assets	224,916	121,547
Depreciation - assets on hire purchase contracts and finance leases	<u>28,036</u>	<u>31,041</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

During the year ended 31 March 2025, one Trustee was reimbursed expenses of £270 (2024:£Nil) for travel and stationery expenses.

11. STAFF COSTS

	31.3.25 £	31.3.24 £
Wages and salaries	1,643,487	1,519,098
Social security costs	95,635	85,035
Other pension costs	<u>39,073</u>	<u>38,107</u>
	<u>1,778,195</u>	<u>1,642,240</u>

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

	31.3.25	31.3.24
BSF Contract	68	66
Dorset Contract	73	66
Activities	18	19
Head Office Admin Support	<u>8</u>	<u>7</u>
	<u>167</u>	<u>158</u>

No employees received emoluments in excess of £60,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

11. STAFF COSTS - continued

Some employees are members of a defined benefit pension scheme, details of which are provided in note 23.

Key management personnel remuneration is disclosed in note 25.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	14,835	-	14,835
Charitable activities			
Charitable activities	3,061,146	-	3,061,146
Other trading activities	145,641	-	145,641
Investment income	<u>5,748</u>	<u>-</u>	<u>5,748</u>
Total	<u>3,227,370</u>	<u>-</u>	<u>3,227,370</u>
EXPENDITURE ON			
Raising funds	76,427	-	76,427
Charitable activities			
Charitable activities	<u>3,149,078</u>	<u>-</u>	<u>3,149,078</u>
Total	<u>3,225,505</u>	<u>-</u>	<u>3,225,505</u>
NET INCOME			
	1,865	-	1,865
Other recognised gains/(losses)			
Actuarial gains/(losses) on defined benefit schemes	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>
Net movement in funds	(16,135)	-	(16,135)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>650,049</u>	<u>1,302</u>	<u>651,351</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>633,914</u></u>	<u><u>1,302</u></u>	<u><u>635,216</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

13. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2024	922,128	1,272,484	126,793	2,321,405
Additions	<u>-</u>	<u>14,350</u>	<u>-</u>	<u>14,350</u>
At 31 March 2025	<u>922,128</u>	<u>1,286,834</u>	<u>126,793</u>	<u>2,335,755</u>
DEPRECIATION				
At 1 April 2024	682,386	1,074,863	54,696	1,811,945
Charge for year	<u>86,596</u>	<u>153,222</u>	<u>13,134</u>	<u>252,952</u>
At 31 March 2025	<u>768,982</u>	<u>1,228,085</u>	<u>67,830</u>	<u>2,064,897</u>
NET BOOK VALUE				
At 31 March 2025	<u>153,146</u>	<u>58,749</u>	<u>58,963</u>	<u>270,858</u>
At 31 March 2024	<u>239,742</u>	<u>197,621</u>	<u>72,097</u>	<u>509,460</u>

Included within fixed assets are assets with a net book value of £4,622 (2024: £32,658) relating to assets held under finance lease agreements. The depreciation charged in the period in respect of assets held under finance lease agreements amounted to £28,036 (2024: £31,041).

During the year on renewal of finance leases, the net realisable value of the relating assets was reviewed. In the prior year assets were upwardly remeasured by £54,190 to the remaining lease value.

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

	Fixtures and fittings £
COST	
At 1 April 2024 and 31 March 2025	<u>201,983</u>
DEPRECIATION	
At 1 April 2024	169,325
Charge for year	<u>28,036</u>
At 31 March 2025	<u>197,361</u>
NET BOOK VALUE	
At 31 March 2025	<u>4,622</u>
At 31 March 2024	<u>32,658</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2024 and 31 March 2025	<u>1</u>
NET BOOK VALUE	
At 31 March 2025	<u>1</u>
At 31 March 2024	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Incedo Limited

Registered office: Trinity Sports Centre, Chilton Street, Bridgwater, Somerset, United Kingdom, TA6 3JA

Nature of business: Operation of sports facilities

	% holding			
Class of share:	100			
Ordinary		31.3.25	30.6.24	
		£	£	
Aggregate capital and reserves		-	(2,040)	
Profit/(loss) for the year		<u>2,040</u>	<u>(1,232)</u>	

15. STOCKS

	31.3.25	31.3.24
	£	£
Stocks	<u>12,053</u>	<u>10,940</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Trade debtors	22,531	60,202
Amounts owed by group undertakings	1,202	1,202
Other debtors	24,006	24,926
Prepayments and accrued income	<u>61,545</u>	<u>48,820</u>
	<u>109,284</u>	<u>135,150</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Other loans (see note 19)	10,332	10,078
Finance leases (see note 20)	4,622	32,659
Trade creditors	101,601	118,819
Social security and other taxes	39,725	33,757
Other creditors	5,745	5,021
Accruals and deferred income	<u>375,206</u>	<u>282,549</u>
	<u>537,231</u>	<u>482,883</u>

Included within accruals and deferred income is deferred income of £93,493 (2024: £64,748). Deferred income is in respect of membership fees that have been paid for in advance of the service delivery.

	31.3.25	31.3.24
	£	£
Deferred income brought Forward	64,748	58,677
Released in the year	(64,748)	(58,677)
Provided in the year	<u>93,493</u>	<u>64,748</u>
Deferred income carried forward	<u>93,493</u>	<u>64,748</u>

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

	31.3.25	31.3.24
	£	£
Other loans (see note 19)	<u>7,022</u>	<u>17,357</u>

19. LOANS

An analysis of the maturity of loans is given below:

	31.3.25	31.3.24
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>10,332</u>	<u>10,078</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>7,022</u>	<u>10,332</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>7,025</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	31.3.25	31.3.24
	£	£
Net obligations repayable:		
Within one year	<u>4,622</u>	<u>32,659</u>
	Non-cancellable operating leases	
	31.3.25	31.3.24
	£	£
Within one year	<u>2,028</u>	<u>719</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.25	31.3.24
	£	£
Other loans	17,354	27,435
Finance leases	<u>4,622</u>	<u>32,659</u>
	<u>21,976</u>	<u>60,094</u>

The finance leases are secured on the related leased assets.

The bank loans are secured by a fixed charge over all plant and machinery and goodwill, owned now or in the future and a floating charge over all other property assets and rights of the company. The loan was drawn down in November 2020 under the provisions of the Coronavirus Business Interruption Loan Scheme (CBILS). The loan carries interest at the rate of 2.5% and will be fully repaid by November 2026.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
Unrestricted funds	606,908	(210,262)	396,646
Trinity sinking fund	24,006	-	24,006
Pension reserve	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>
	633,914	(213,262)	420,652
Restricted funds			
GAP funding	<u>1,302</u>	-	<u>1,302</u>
TOTAL FUNDS	<u>635,216</u>	<u>(213,262)</u>	<u>421,954</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted funds	3,337,176	(3,547,438)	(210,262)
Pension reserve	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>
	3,337,176	(3,550,438)	(213,262)
TOTAL FUNDS	<u>3,337,176</u>	<u>(3,550,438)</u>	<u>(213,262)</u>

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
Unrestricted funds	605,043	1,865	606,908
Trinity sinking fund	24,006	-	24,006
Pension reserve	<u>21,000</u>	<u>(18,000)</u>	<u>3,000</u>
	650,049	(16,135)	633,914
Restricted funds			
GAP funding	<u>1,302</u>	-	<u>1,302</u>
TOTAL FUNDS	<u>651,351</u>	<u>(16,135)</u>	<u>635,216</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	3,227,370	(3,225,505)	-	1,865
Pension reserve	-	-	(18,000)	(18,000)
	<u>3,227,370</u>	<u>(3,225,505)</u>	<u>(18,000)</u>	<u>(16,135)</u>
TOTAL FUNDS	<u>3,227,370</u>	<u>(3,225,505)</u>	<u>(18,000)</u>	<u>(16,135)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.23 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
Unrestricted funds	605,043	(208,397)	396,646
Trinity sinking fund	24,006	-	24,006
Pension reserve	<u>21,000</u>	<u>(21,000)</u>	-
	650,049	(229,397)	420,652
Restricted funds			
GAP funding	<u>1,302</u>	-	<u>1,302</u>
TOTAL FUNDS	<u>651,351</u>	<u>(229,397)</u>	<u>421,954</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	6,564,546	(6,772,943)	-	(208,397)
Pension reserve	-	(3,000)	(18,000)	(21,000)
	<u>6,564,546</u>	<u>(6,775,943)</u>	<u>(18,000)</u>	<u>(229,397)</u>
TOTAL FUNDS	<u>6,564,546</u>	<u>(6,775,943)</u>	<u>(18,000)</u>	<u>(229,397)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

23. EMPLOYEE BENEFIT OBLIGATIONS

West Dorset District Council Scheme

During the year ended 31 March 2013, 1610 Limited agreed a contract to provide leisure services for West Dorset District Council. Part of this contract included the transfer of employees and their associated pension benefit obligations. As part of the transfer agreement the defined pension obligations in respect of transferred employees became the responsibility of 1610 Limited from 1 October 2012. These pension scheme obligations at the balance sheet date showed a surplus of £Nil (2024: surplus of £3,000).

Within the year under review, as part of the merger negotiations it was agreed that any asset or liability held in the pension scheme would become the responsibility of West Dorset District Council after the final member of the scheme left.

The employer contributions expected to be paid to WDDC scheme during the period ending 31 March 2026 are Nil (2025: £4,000).

The assets of this defined benefit scheme were held separately from those of the company and comprised segregated funds of the Dorset County Council Pension Fund in respect of pension benefits provided by the Local Government Pension Scheme (LGPS) to employees of 1610 Limited. The LGPS is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2014. It is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. The scheme is now closed to new members.

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Present value of funded obligations	-	(696,000)
Fair value of plan assets	-	<u>797,000</u>
	-	101,000
Present value of unfunded obligations	-	-
Asset ceiling	-	<u>(98,000)</u>
Surplus	-	<u>3,000</u>
Net asset	-	<u><u>3,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Current service cost	-	5,000
Net interest from net defined benefit asset/liability	-	(1,000)
Past service cost	-	-
Admin costs	-	1,000
	<u>-</u>	<u>5,000</u>
Actual return on plan assets	<u>-</u>	<u>34,000</u>

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Opening defined benefit obligation	696,000	695,000
Current service cost	-	5,000
Contributions by scheme participants	-	1,000
Interest cost	-	33,000
Benefits paid	-	(7,000)
Transfer to local authority	(696,000)	-
Oblig other remeasurement	-	(31,000)
	<u>-</u>	<u>696,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Opening fair value of scheme assets	797,000	716,000
Contributions by employer	-	3,000
Contributions by scheme participants	-	1,000
Assets no descr	-	(1,000)
Expected return	-	34,000
Benefits paid	-	(7,000)
Transfer to local authority	(797,000)	-
Return on plan assets (excluding interest income)	-	51,000
	<u>-</u>	<u>51,000</u>
	<u>-</u>	<u>797,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Oblig other remeasurement	-	31,000
Return on plan assets (excluding interest income)	-	51,000
	<u>-</u>	<u>51,000</u>
	<u>-</u>	<u>82,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Equities	-	499,000
Other bonds	-	52,000
Diversified Growth Fund	-	53,000
Infrastructure	-	59,000
Multi asset credit	-	55,000
Property	-	62,000
Cash	-	17,000
	<u>-</u>	<u>17,000</u>
	<u>-</u>	<u>797,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	31.3.25	31.3.24
Discount rate	-	4.95%
Future salary increases	-	2.90%
Future pension increases	-	2.90%
Consumer Price Index price increase	-	2.90%

Mortality

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 90% for males and 100% for females. These base tables are then projected using the CMI 2020 Model, with an allowance for future longevity improvement of 1.25% per annum, smoothing parameter of 7.5%, an initial addition parameter of 0.5% and a 2020 weighting of 25%. The 2020 weight parameter reflects the exceptional mortality due to the coronavirus pandemic. The effect on assumed life expectancies is demonstrated in the table below.

The average life expectancy in years for a member from the age of 65 are:

		2025	2024
		(years)	(years)
Retiring today:	Males	-	21.8
	Females	-	23.9
Retiring in 20 years:	Males	-	23.1
	Females	-	25.4%

Demographic/statistical assumptions:

A set of demographic assumptions that are consistent with those used for the most recent fund valuation as at March 2024 were adopted.

24. CONTINGENT LIABILITIES

The Charity had guaranteed its payment obligations under a contract for the management of leisure facilities by arranging performance bonds for £115,744 and £90,528 which expired in January 2025 and £29,000 and £100,000 which expired in October 2024.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

25. RELATED PARTY DISCLOSURES

During the year the company paid for goods and services on behalf of Incedo Limited, a wholly owned subsidiary to the value of £nil (2024: £1,219). A balance of £1,202 (2024: £1,202) was owing from Incedo Limited at the balance sheet date.

The key management of the charity comprises the Chief Executive Officer. The total employee benefits of the key management personnel were for the year £60,432 (2024: £55,976).

26. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

27. ULTIMATE CONTROLLING PARTY

On 1 August 2024 Wealden Leisure Limited, a Co-operative and Community Benefit Society, registration number IP29336R became the sole member of the charitable company. All decisions are taken by the Board of Directors who are Trustees of the charitable company. Wealden Leisure Limited has representation on the Board of Directors. The objects of Wealden Leisure Limited are closely aligned to those of the charitable company. Consolidated accounts can be obtained from The Paddock, 1 - 6 Carriers Way, East Hoathly, East Sussex, BN8 6AG. Wealden Leisure Limited has charitable tax status with HMRC reference XR74015.

28. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no authorised or issued share capital. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

29. SUBSEQUENT EVENTS

Subsequent to the balance sheet date the Board has agreed that the trade and assets of the charitable company will be transferred to the parent once Charity Commission authorisation has been granted.

1610 LIMITED

England & Wales - Charity number 1130010

Accounts

1610 Limited

Report of the Trustees, Strategic Report and

Audited Financial Statements

For the Year Ended 31 March 2024

Registered Charity Number 1130010
Registered Company Number 06727055 (England and Wales)

1610 Limited
Contents of the Financial Statements
For the Year Ended 31 March 2024

Reference and Administrative Information	2
Trustees' Annual Report (Incorporating the Strategic Report)	3
Report of the Independent Auditors	13
Statement of Financial Activities (Incorporating the Income and Expenditure Account)	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20

1610 Limited
Reference and Administrative Information
For the Year Ended 31 March 2024

TRUSTEES:
Mr M Winlow (resigned 31 July 2024)
Mr R Burt (resigned 6 April 2023)
R Cardwell (appointed 6 April 2023)
P Harvey (appointed 6 April 2023)
B Hayward (appointed 6 April 2023, resigned 31 July 2024)
J Kelly (appointed 6 April 2023)
A Rustad (appointed 1 August 2024)

SECRETARY: Mr P Fox

REGISTERED OFFICE:
Trinity Sports & Leisure
Chilton Street
Bridgwater
Somerset
TA6 3JA

REGISTERED COMPANY NUMBER: 06727055 (England and Wales)

REGISTERED CHARITY NUMBER: 1130010

AUDITORS:
A C Mole LLP
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

BANKERS:
NatWest
26 – 27 Fore Street
Taunton
Somerset
TA1 1JQ

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

The Trustees, who are also Directors for the purposes of company law, present their annual report and their strategic report with the financial statements for the year ended 31 March 2024.

Introduction from our Chair; Peter Harvey

Welcome to the 1610 Ltd 2023/24 Trustee report.

The effects of recent global, national and regional events have continued to have a significant impact on 1610. The instability created by the unprecedented events of the last three to four years is still very much felt by 1610 as a charitable limited company and continues to influence the direction and strategic decisions needed within the trust to allow it to continue its charitable objectives.

Having negotiated a difficult 2022/2023 year, it became evident that there was urgent pressure for the trust to consolidate its position. A further reduction in overheads enabled 1610 to continue to fulfil its charitable status. We moved into 2023/24 in a more financially stable position and to continue to look for partners well placed to support 1610 and the service that it provides.

In June 2023 a new CEO was appointed on a seconded basis to lead 1610 into the future. The reduction of senior management and 'back office' support to ensure that overheads match the financial output of the trust has led to 1610 running a very lean team of experienced staff but with limited resources.

The trust is also rapidly approaching key milestones in terms of contract horizons. With limited resources, it is in a difficult position to re-win existing contracts or bid on new and up and coming contracts.

The board, with the help and advice of consultants Strategic Leisure and the CEO began the process in 2023/24 of officially pursuing a suitable partner to support 1610 in some way. Either by providing further support or through a form of merger. As part of this process, the trustees were adamant that they find a compatible organisation with similar objectives and values.

The pace and scale of evolution has been necessary throughout 2023/24 in response to the continuing challenges faced by the trust primarily as a result of the leisure management worldwide events. Consequentially the trust set a new strategic direction to safeguard the 1610 legacy.

Structure, Governance and Management
Governing Document

1610 Limited is a charitable company limited by guarantee, incorporated on 17 October 2008, and registered as a charity on 5 June 2009. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Principal Activities

In 2023/24 the Trust operated 3 leisure centres on behalf of local Councils in the Southwest UK. These facilities provide community access to sporting / leisure / fitness services ensuring local rural facilities are available to everyone and the promotion of a fit and healthy lifestyle. Complementing the leisure contracts is one 1610 owned /managed facility that operate fitness, health, and wellbeing programmes.

Organisational Structure

1610 is strategically managed by a Trust Board comprising of Trustee Directors. The Board traditionally met four times per annum. The significant changes to the charitable company that were required in 2023/24 led to more regular meetings to address the necessary matters required to set and evolve a new strategic direction.

The Board is serviced by a part time Company Secretary. Specialist advisers to 1610 e.g. Accountants / Legal / Consultants attend Board meetings to advise Trustees as required.

The Board delegates responsibility for daily operations to the Chief Executive and General management team.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

This team has responsibility for the delivery of contractual outcomes, service specifications and to agree on Key Performance Indicators. Further pathways of delegation are in place from the CEO / general management team through to the wider management Team to operate the Trust business units across multiple venues in the Southwest.

Operational standards are defined through nationally recognised quality leisure management systems/frameworks that comprehensively document activities and processes for staff at all levels.

Recruitment and Appointment to the Trust Board

Directors of the company are also charity Trustees for the purposes of charity law. They are elected to serve for 3 years retiring on the third anniversary of their appointment, after which they may be re-elected for a further 3 years. They must retire at the end of that period and may not be re-elected until the expiry of 1 year from their retirement unless the Trustees consider that it would be in the best interests of the Charity for a particular Trustee or Trustees to continue to serve beyond that period and that Trustee or those Trustees are reappointed in accordance with the company's articles of association. Potential new Trustees are identified through networking and recommendation; it is important to us that Trustees understand our ethos from the outset and are passionate about what we do.

In 2023/24 three new trustees were appointed to the board. As the board navigated the process of formally seeking a partner organisation to work or merge with further recruitment of trustees was paused.

The board currently consists of 4 trustees.

Trustee Induction and Training

New Trustees are invited to meet the Senior Leadership Team and Board members and are given a short induction at Trinity Sport and Leisure centre HQ to advise them on the operations, activities, and key personnel within the Trust. These sessions are led by the Chief Executive and other key senior staff and include:

- A welcome pack: including materials related to the Trust operations and governance (including the financial accounts), legal status and guidance from the Charity Commission on the responsibilities, obligations, and liabilities of becoming a Trustee.
- Trustees are offered the chance to shadow a Trust Board meeting.
- New Trustees are given an opportunity to visit one of the main Trust leisure operations to familiarise themselves with the core work and to meet Trust staff.
- New Trustees are also encouraged to contact the Chair of the Trust, a fellow Trustee, or the Company Secretary to gain a further insight into the day- to- day business and ethos of the organisation.
- Trustees are regularly updated on training opportunities at Board sessions including key functions around safeguarding and health and safety.
- All Trustees are given an induction as part of the Trust health and safety policy. Core training on health/safety and safeguarding is delivered to the Board on an annual basis or as and when significant changes to policy or UK Law dictate the need for a refresh.

Our Aims and Objectives

1610 Trust purposes are defined in the objects set out in the company's Memorandum of Association and can be summarised as follows:

- The advancement and support of education, cultural services, and other related provision through direct management of facilities or related activity programmes.
- The delivery and management of leisure, recreation, and sports facilities particularly with a focus on provision for 'hard to reach' groups and key target groups that have barriers to participation.
- The promotion and delivery of health and wellbeing programmes with an emphasis on sport and physical activity.
- The advancement of physical education and sport.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

- Other charitable proposals that have public benefit which are consistent with the core objectives of the trust.

1610 Trust seeks to deliver high quality services to Somerset and wider Southwest communities. The core aims of our work is to develop 1610 facilities and programmes to improve health, sporting / leisure abilities and participation; contribute to raising the quality of life for the general community and supporting schools in their development of young people. Throughout this work, Trustees recognise that there is a need to ensure that the Trust observes Charity Commission guidance on public benefit to ensure alignment with activities and the core Trust aims and objectives.

This model often provides isolated or small rural communities with access to local sports, health, and learning facilities / programmes where there would be insufficient volumes of people to make dedicated leisure centres viable.

Through this network of centres, 1610 delivers a diverse programme, often being asked to target hard to reach groups, those that are financially or socially excluded, isolated communities or to work in areas with significant deprivation issues. 1610 works with groups and individuals creating many examples of life changing experiences. They are often achieved through using leisure / sport / health and fitness as a catalyst for altering the direction of a person's life or by providing new opportunities for a whole community.

Strategic Report
Achievement and Performance

Managing delivery of our aims

Senior Managers and the Trustees review the Trust aims, objectives and delivery on an annual basis against the yearly business plan that includes contractual targets and the annual budgets. Each department of the Trust produces annual work stream plans to enable successful programme delivery and overall development of the Trust business.

Through the UK Growth Accelerator Programme, 1610 fully embedded the Vision Orbit (VO) strategic business tool to review and develop the organisations performance. The annual VO, Vital Few and Single Page Plan form the basis of business planning within the company. Staff members at every level of the organisation use this tool to align activities.

During the 2023/24 year the Trust managed a series of public sector service contracts in Southwest England:

- A ten-year contract with Futures for Somerset, to operate two dual use leisure facilities as part of the PFI Building Schools for the Future initiative in Bridgwater, Somerset. In 2020 the Futures for Somerset leisure contract was extended for a further five years to end in September 2025
- A ten-year contract with Dorset Council to operate the £8.5m Dorchester Leisure Centre in Dorchester. Dorset Council extended this contract beyond October 2022 – to April 2024. A further contract variation was agreed during the 2023/24 year to extend this contract to April 2026.

The status of each contract is set out in the key activities section below. Each contract has a comprehensive performance framework that is monitored quarterly / annually by the Senior Leadership Team and the various Council contract commissioning bodies.

What sets 1610 apart from other fitness/leisure providers is the changing role of the Trust – it is much more than just management of leisure centres. Since 2012 the Trust has actively pursued a wider community role, by increasing the choice of activities - from healthy living initiatives, adult learning programmes to workforce development and training for the leisure industry. Health and wellbeing are however the platform and common denominator to the activities, and the reason 1610 has an enormous impact on people's lives.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

Key KPIs for the Trust are:

- Number of people attending our sites.
- Meeting fitness standards.
- Number of customer complaints, linked to customer satisfaction.
- Health & Wellbeing attendances.
- Number of effective community and club partnerships.
- Numbers of Children enrolled on Swim Programmes.
- Number of Trust fitness members.

The Focus of Work 2023/24

Financial Risk Management / Business Stability

- The Trustees appointed consultants, Strategic Leisure to provide them with a comprehensive report into the trust and what the future possibilities might be possible. This report led to the trustees instructing Strategic Leisure to commence a formal process to identify a suitable organisation to partner.
- The business continued the trend from 2022/2023 and grew organically in key revenue lines.

Key activities 2023/2024

- **Operations**

1610 sites continued to experience organic growth in fitness memberships and swim memberships, both key revenue lines of 1610 business. The management team has stabilised throughout 2023/24 with a number of successful appointments within the junior management team.

- **Dorset Council Leisure Contract Extension**

Early into 2024, Dorset Council approached 1610 to discuss an increase to the existing Leisure Services contract to operate Dorchester Leisure centre. The Council and the Trust agreed a 24-month extension to March 31, 2026. A further extension remains possible.

Investment Policy

The majority of funds that the Trust generates on an annual basis is committed to annual operations. It is unlikely, in the short or medium term, that there will be significant funds generated for long term investment. The Board is keen to make provision for the development and growth of the reserve fund. However, it is important that the Trust uses its cash to develop business and support the agreed charitable outcomes. Cash in hand is held in a special interest-bearing account with NatWest. The bank offers a basic treasury service to maximise the investment of these funds whilst covering day to day operational business needs.

Reserves Policy

The Trustees recognise the requirement to establish a reserves policy; in setting the reserves policy the Trustees have considered the need to manage resources for the benefit of the charity's aims and objectives and to maintain financial stability, considering the risks and potential impact in the current economic environment.

The Trust Board review the reserve policy annually and has a policy of holding a minimum Reserve of £200,000. As income covers operational costs the need to maintain reserves is based on any unforeseen call on funds, and for future capital and operational expenditure. This has been determined based on the Trust Risk Register; identifying the fiscal impact of these risks being realised, and future of the Trust. This level of reserves is acceptable as it meets the minimum reserves policy and allows the Trust to set aside resources to meet the requirements of the National Living Wage and for future investment projects.

For the first time in 1610 operating history the Reserves policy was tested by COVID and the economic conditions. The Trust had total reserves beyond the minimum level and levels of cash reserves never fell below £300,000 in the year.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

The Reserves Policy is annually reviewed.

Key Management Remuneration and Performance Criteria

Remuneration for all job roles is evaluated according to the role and level of responsibility; and this applies to members of SLT (Senior Leadership Team), and the CEO. CEO remuneration is separately reviewed, set by the Trustees and agreed annually by the Board. SLT and the CEO have clear objectives both in their area and at a strategic level; this is incorporated into the Trust's Vision Orbit Business Plan. These objectives are reviewed on a regular basis both at SLT level and at regular "job chats," which are the equivalent to appraisals. The CEO reports to the Board on the objectives together with performance of those objectives.

A general pay increase was awarded of 5% to staff where they had not been directly impacted by the legal requirements in 2023/24. The impact of Living wage remains a major annual financial pressure for the Trust. Maintaining pay differentials is a difficult balancing act given the need to compete within an increasingly price aggressive sector.

1610 has faced significant pressure in pay due to the changes in the employment market and workers moving across sectors for higher paid employment. Given the current financial position of 1610 there is little opportunity to increase pay beyond statutory awards.

Employee Information

1610 is dependent on the skill and enthusiasm of its employees to achieve its business and charitable objectives. The Trustees are therefore committed to effective employee communication and equal opportunities. The selection, training development and promotion policies ensure equal opportunities for all employees regardless of gender, marital status, race, age, or disability. Internal communications are designed to ensure that employees are well informed about the activities of the charity and staff attitudes are researched so that the Senior Leadership Team can respond positively to the ideas and needs of employees.

The use of Workplace, a Facebook product for internal business communications, has had a positive impact on staff engagement. Eighty percent of staff have active accounts, and this tool has enabled all staff, including casual and remote based people, to access 1610 information and communications.

The Trust continues to 'buy-in' external support for HR matters through Mentor HR services.

Recruitment and retention of staff continues to apply pressure to 1610 due to broader challenges within the employment market. This is made more difficult by key national themes being attributed specifically to the leisure industry where it is typically recognised there are national workforce shortages.

Staffing is the major cost in leisure sector companies and 1610 has set an agenda to aspire to have fewer, better paid staff in the future. The nature of employment in this sector is also changing. More staff are moving to self-employed roles such as PT trainers / Instructors. Given the financial pressures, the Trust management team has also been focussing on ensuring that the optimal management Teams are deployed at sites. In 2022/23 the Trust reviewed the Central Management Team, and as result has reduced this overhead which has significantly reduced financial risk for the business.

Staffing levels have fluctuated throughout the year but remain lean. As of the end of March 2024 the trust employed a total of 158.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

Financial Review

Full financial details are in the audited accounts.

The headline financial information for 2023/24:

- The company turnover decreased from £3,291,211 in 2022/23 to £3,227,370 year end March 2024.
- While the company turnover has decreased for a successive year, the restructuring process completed in 22/23 has achieved a significantly reduced expenditure position reducing from £4,305,382 to £3,225,505 in the year end 2024.
- Generally, income trended ahead of expected projections for the year.
- Key income successes included sports hall usage and pool usage.
- The trust also performed well in fitness membership income – exceeding the trust's aim.
- The trust continues to encounter higher property costs due to the ageing condition of one of the key contracts in place.
- Expenditure controls have remained stringent throughout the year.
- The Trust began repayments on the COVID Bounce Back Loan in Dec 2021, the balance remaining as of March 2024 is £27,435.
- The trust managed to report a small surplus of £1,865 in 23/24. While this is only a small surplus it represents a huge improvement on the 22/23 position.
- Cash at the bank had risen from £430,550 as of the end of March 2023 to £476,905 as of March 2024.
- The Trust liability for the LGPS pension scheme for the Dorset Contract showed a positive movement from a surplus of £3,000 to a surplus of £21,000. It should be noted that this assessment is based on the annual actuarial assessment year-on-year. The underlying actuarial assessment of the 1610 Ltd LGPS liability projects the fund is in surplus. when considering the contract in terms of a transfer to a new operator in an 'on-going contract' basis.

1610 Ltd has successfully steered its way through major restructure and reductions in central support to largely maintain its revenue streams whilst significantly reducing operating expenditure, allow the trust to post a surplus position. The coming financial year should be in a position to continue to the momentum gained in 23/24.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will have sufficient funds to pay debts as and when they fall due and continue in operation for a period of at least twelve months from the date of authorisation of the financial statements.

Plans for Future Periods

2024/2025

Historically, the Trust prepares annual business plans and financial forecasts for the delivery of commissioned services and developmental work. In recent years the business plans have been simplified as the core objective of the Trust has been to regain business and re-position the company and its resources post major global and national events. This will largely remain the same.

The 2024/25 Trust Plan set out:

1. As a minimum success measure 1610 to achieve a £115k surplus budget position by March 2025.
2. To position 1610 as an environmentally conscious business and ensuring truly sustainable approaches are taken.
3. Drive staff retention of colleagues who exhibit the 1610 DNA, values and team first approach.
4. Assess 1610's social value impact as a charity and identify key metrics that are reported to 1610 stakeholders to highlight the impact of its charitable work.
5. Review all front of house systems.
6. Implement new trust timeline planning tool to organise strategic and top end operational planning approaches.
7. Increase the Wellness membership base by 15% by March 2025

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

8. To rollout 1610 marketing strategy tailored to each facility to help deliver its financial outcomes as set out in the budgets.
9. To improve the quality of service and offer at every 1610 centre by setting out quality assurance metrics.
10. To achieve contract extensions and acquisitions.

Financial viability remains paramount for the Trust. This will involve a continuation of building back, growing and sustaining the usual 1610 business income streams.

In addition to building back the business levels the trust will have to carefully balance this against the backdrop of the cost-of-living crisis which brings two key risks. Firstly, that the Trust's core user base may find their disposable income is squeezed leading to a drop in demand for leisure services undermining the trusts ambitions of organic growth. Secondly is the ever increases in cost to the trust when purchasing the key resources leading to increasing expenditure.

The later of these will need to be carefully managed with leisure faculties often being energy hungry.

The trust will continue its work in 2024/2025 to seek a suitable partner to help move the trust forwards by seeking opportunities through its leisure management consultants to merge in some form with a another leisure operator with a shared vision and shared values.

Principal Risks and Uncertainties

A full review of the Business Risk Register takes place throughout the year; this is reviewed on a regular basis and the Board is presented with a Business Risk Improvement Plan at each Board meeting, together with any additional risks that are identified. The risk assessment covers all areas of the business including operational, financial, compliance, external and governance risks, particularly in the light of any new projects undertaken and changes to the political climate and local economies.

The current principal risks and uncertainties faced by the Trust are:

- Impact of the increase in energy cost linked to Ukraine / Russia War.
- Recruitment and retention of staff.
- Further extension of existing 1610 public sector contracts.
- Reliance on low margin activities.
- Major Plant failure at sites where 1610 has full repairing liabilities.
- Growth of online leisure providers / Home fitness market / new outdoor leisure provision.
- Loss of key management (Trustee/CEO/SLT).
- Failure of Duty of Care (Health & Safety and safeguarding).
- Increasing Pension liabilities with the Dorset LGPS.
- Heightened safeguarding requirements impacting on operations on School based dual use sites.
- The remaining short timespan on the two remaining Council leisure services contracts.
- Financial viability of a much smaller Trust operation particularly linked to inflation costs.

Systems and processes have been put in place to manage and mitigate the risks 1610 face.

- For health and safety and safeguarding, external consultants are used to assess operational performance, highlight risk management issues and actions needed and provide on-going training.
- All staff undergo formal training and regular updates and courses to ensure they understand their responsibilities regarding safeguarding. Recruitment processes are robust ensuring everyone follows due process, and all staff are Disclosure and Barring Service (DBS) cleared before they can commence employment with the Trust.
- The Trust uses QUEST, a national accredited quality assurance sports framework, to externally assess all aspects of operational performance - highlighting excellence and areas for improvements.
- These external processes support periodic reviews at Board level prompting adjustment to operations as risks change or new challenges arise.
- Mentor NatWest is available, on demand, for external HR support and advice.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

- 1610 Ltd appointed Right Directions – a nation UK H/S provider – to audit all aspects of the Trust operations, provide refresher training for staff and produce a plan to ensure that the re-opened sites and services had a high-quality H/S system in place.

Robust and rigorous financial processes are in place to ensure performance is regularly reviewed on a daily / weekly and monthly level and corrective action taken quickly. This has been essential during the COVID pandemic.

Whilst significant reliance is placed on the CEO and SLT's skills; each has a dedicated team supporting them and no individual works in isolation, ensuring adequate cover can be put in place immediately, temporary cover could also be provided by recruiting external professionals, together with support from the Trustees.

At a more strategic level, legal and financial risks are identified and mitigated through our work with professional advisers and auditors.

1610 continually strives to improve their margins by developing their own branded products and reviewing work practices to ensure the Trust operates as efficiently as possible. 1610 remains flexible in its approach to ensure it can adapt to changes in legislation and contractual requests.

Pool plant failure will always remain a risk that is difficult for 1610 to mitigate against, however we collaborate closely with our contractual partners to ensure the plant is maintained appropriately where it is our direct contractual responsibility to do so.

Risk management is a standing item on the monthly Senior Leadership Team agenda and quarterly Board agenda.

Financial Risk Management Objectives and Policies

The Trustees are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate, and manage the key risks.

- a) Price risk - The charity is exposed to price risk as a result of its operations. Due to the economic climate and new leisure budget operator competition the charity must sell and provide services at competitive price to maintain membership levels.
- b) Credit risk – Due to the charity's activities, credit is very rarely given. Any credit extended to customers is subject to appropriate review and monitoring.
- c) Liquidity risk – Trustees have regularly been updated on cash flow and financial risk. Support has been requested by the Trust from financial advisors and commercial lenders to help manage the Trust business.
- d) Cash flow risk - the CEO / Finance Team have provided the Board with quarterly updates on cashflow through the COVID pandemic period. In addition to updates when significant changes have occurred. Cashflow can be tracked daily via the Xero finance system. This data is available to all Trustees and Senior staff daily.
- e) Economic risk - The charity's performance is directly impacted by the economic environment. To manage this risk, the charity strives to deliver competitively priced products and services. The charity is actively concentrating on improving efficiency and reducing costs.
- f) Credit Rating – the Trust is aware that it is essential to maintain a strong, positive financial profile. The Trust credit rating is reviewed periodically to monitor the health of the Trust finances.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

Post balance sheet events – April 2024 onwards

- **Business returns**
1610 income and revenue lines have continued with expected industry trends, with income trending ahead projections.
- **Cashflow**
The Trust cashflow position and cash reserves remain positive and as of September 2024 total cash in the bank stood at £523,752.
- **Workforce & Recruitment**
1610 is now operating with a workforce of 176 staff. The labour market fluctuates throughout the year and at times recruitment can be a challenge for 1610 due to the transient nature of the workforce.
- **Financial Performance**
The trust has been able to remain in stable position for the first 6 months of 2024/25 and is expected to make a surplus at the end of the 2024/25 year.
- **Change in Ownership**
In August 2024 1610 Limited became a wholly owned subsidiary of Wealden Leisure Limited (Trading as Freedom Leisure).

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2024

Trustees' Responsibility Statement

The Trustees, who are also Directors of 1610 Limited for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

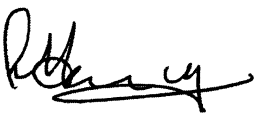
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the Trustees are aware:

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

Authorisation of Financial Statements, Trustees' Report and Strategic Report

The financial statements, which incorporate the Trustees' Report, the Trustees' Responsibilities, and the Strategic Report, were approved by the Board of Trustees on 23 January 2025 and signed on their behalf by:



P. Harvey
Trustee

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2024

Opinion

We have audited the financial statements of 1610 Limited (the 'Charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 entity's ability to continue as a going concern for a period of at least 12 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 relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' 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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2024

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 (incorporating the strategic report and the directors' report) prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the strategic and directors' 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2024

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 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:

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the charitable company operates
- the sector in which the charitable company operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

Laws and regulations which are considered to be significant to the charitable company include those relating to the requirements of financial reporting framework FRS102, the Companies Act 2006, the Charities Act 2011, UK tax legislation, employment law and health and safety. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on the operation of the charitable company.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified, and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the charitable company's procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- corroborating our enquiries through review of Board Minutes and correspondence.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2024

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 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 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.



Michael Cook BSc FCA (Senior Statutory Auditor)
For and on behalf of A C Mole LLP
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset TA1 2PX

27 January..... 2025

A C Mole LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1610 Limited
Statement of Financial Activities (incorporating the Income and Expenditure Account)
For the Year Ended 31 March 2024

		Unrestricted Funds	Restricted Funds	Total Funds 2024	As Restated Total Funds 2023
	Note	£	£	£	£
INCOME FROM					
Donations and legacies	3	14,835	-	14,835	36,464
Charitable activities	4	3,061,146	-	3,061,146	3,110,564
Other trading activities	5	145,641	-	145,641	141,352
Investments		5,748	-	5,748	2,831
Total Income		3,227,370	-	3,227,370	3,291,211
EXPENDITURE ON					
Raising funds	5	76,427	-	76,427	92,018
Charitable activities		3,149,078	-	3,149,078	4,026,887
- Reorganisation costs		-	-	-	186,477
	6	3,149,078	-	3,149,078	4,213,364
Total Expenditure		3,225,505	-	3,225,505	4,305,382
Net Income/(Expenditure)		1,865	-	1,865	(1,014,171)
Transfer between funds	20	-	-	-	-
Net income/(expenditure) after transfers		1,865	-	1,865	(1,014,171)
Other recognised gains					
Remeasurement of defined benefit pension schemes	21	(18,000)	-	(18,000)	549,000
Net movement in funds		(16,135)	-	(16,135)	(465,171)
Total funds brought forward		650,049	1,302	651,351	1,116,522
Total funds carried forward	20	633,914	1,302	635,216	651,351

The results for the period derive from continuing activities and there are no gains or losses other than those shown above.

The notes form part of these financial statements.

1610 Limited
Balance Sheet (registered no: 06727055)
As at 31 March 2024

		2024		As Restated 2023	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	10		509,460		597,314
Investments	11		<u>1</u>		<u>1</u>
			509,461		597,315
CURRENT ASSETS					
Stocks	12	10,940		7,289	
Debtors	13	135,150		94,723	
Cash at bank		<u>476,905</u>		<u>430,550</u>	
		622,995		532,562	
CREDITORS					
Amounts falling due within one year	14	<u>(482,883)</u>		<u>(471,255)</u>	
NET CURRENT ASSETS LESS CURRENT LIABILITIES					
			140,112		61,307
CREDITORS					
Amounts falling due after more than one year	15		(17,357)		(28,271)
PENSION ASSET					
	21		3,000		21,000
NET ASSETS					
			<u>635,216</u>		<u>651,351</u>
CAPITAL AND RESERVES					
Unrestricted income funds	19		609,908		626,043
Designated funds	19		<u>24,006</u>		<u>24,006</u>
Total unrestricted funds			633,914		650,049
Restricted funds	19		1,302		1,302
Total Reserves			<u>635,216</u>		<u>651,351</u>

The financial statements were approved by the Board of Directors on 23 January 2025 and were signed on *23 January 2025* their behalf by:



P Harvey
TRUSTEE



R Cardwell
TRUSTEE

The notes form part of these financial statements.

1610 Limited
Statement of Cashflows
For the Year Ended 31 March 2024

		2024	As Restated 2023
		£	£
	Note		
Cash flows from operating activities			
Net cash generated/(used) by operating activities	1	<u>41,255</u>	<u>(248,077)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,544)	(69,569)
Sale of tangible fixed assets		-	68,553
Interest received		<u>5,748</u>	<u>2,831</u>
Net cash (used)/generated by investing activities		<u>(4,796)</u>	<u>1,815</u>
Cash flows from financing activities			
Loan (repayments)		(10,648)	(10,648)
Hire purchase new borrowing/(repayments)		<u>20,544</u>	<u>(72,045)</u>
Net cash generated/(used) in financing activities		<u>9,896</u>	<u>(82,693)</u>
Increase/(Decrease) in cash and cash equivalents		46,355	(328,955)
Cash and cash equivalents at beginning of year	2	430,550	759,505
Cash and cash equivalents at end of year	2	<u>476,905</u>	<u>430,550</u>

The notes form part of these financial statements.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO CASH GENERATED FROM OPERATIONS

	2024	As Restated 2023
	£	£
Net income/(expenditure)	1,865	(1,014,171)
Net interest (income)/expense	(2,330)	4,984
Depreciation charges	152,588	241,585
Profit on disposal of fixed assets	-	292,792
(Increase)/Decrease in stocks	(3,651)	8,390
(Increase)/Decrease in debtors	(40,427)	364,581
(Decrease) in creditors	(12,600)	(175,588)
(Re-measurement)/Impairment of fixed assets	(54,190)	29,350
Cash generated/(used) by operations	<u>41,255</u>	<u>(248,077)</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	2024	2023
	£	£
Cash at bank and in hand	10,158	(3,448)
Short term investments – deposit account	466,747	433,998
	<u>476,905</u>	<u>430,550</u>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 ACCOUNTING POLICIES

General information

1610 Limited carries out its objects as noted in the Trustees' annual report. The company is a charitable company and is incorporated and domiciled in the UK. The address of the registered office is Trinity Sports and Leisure, Chilton Street, Bridgwater, Somerset, TA6 3JA.

Basis of preparation and statement of compliance

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

1610 Limited meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The trustees have considered the going concern requirements and are of the opinion that the accounts should be prepared on this basis as the company has sufficient funds to continue trading for the foreseeable future. We believe 1610 has sufficient reserves to continue to trade for at least 12 months from the date of signing the report.

Summary of significant accounting policies

The principal accounting policies adopted, critical accounting estimates, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been applied consistently unless otherwise stated.

Income

All income is recognised once the Charity has entitlement to the resources, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Where the criteria for recognition are met in advance of grants actually being received then the income is recognised within the statement of financial activities and amount due included within accrued income in debtors.

Where income is received in advance, it is included within deferred income in creditors until the income recognition criteria are met.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 ACCOUNTING POLICIES - Continued.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be fully recovered and is reported as part of support costs.

Raising funds comprises all costs associated with raising additional funds for Charity through vending and other sales.

Charitable activities comprise all costs directly incurred in undertaking activities to fulfil the Charity's objects, together with any support costs allocated in accordance with the support cost accounting policy as described below.

Other expenditure represents those items not falling into any other heading.

Support costs include administration and head office costs not directly attributable to particular charitable activities are apportioned to charitable activities as detailed in note 7 to the financial statements.

Fund accounting

The unrestricted general fund represents the accumulation of the Charity's income and expenditure that has not been earmarked for specific projects and is not considered by the Trustees to be for a restricted purpose. To the extent that the fund is represented by readily realisable assets it provides a means of financing the day-to-day operations.

Designated funds represent amounts set aside by the Trustees for a particular purpose.

Restricted funds represent the funds received by the Charity for particular purposes as directed by the donors.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised on the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 ACCOUNTING POLICIES - Continued.

Tangible Fixed Assets

Tangible fixed assets costing over £500 are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off the cost less estimate residual value of each asset over its estimated useful life:

Leasehold improvements		- straight-line over the remaining lease term.
Sports equipment:	- Cardio equipment	- straight-line over 10 years or over the remaining lease term.
	- Resistance equipment	- straight-line over 10 years or over the remaining lease term.
All other fixtures and equipment		- straight-line over 10 years.
Computer Software		- straight line over 10 years.

Investments in Subsidiary Undertakings

Investments in subsidiary undertakings are measured at cost and reviewed annually for impairment. On the basis that the subsidiary is not material to the group, consolidated accounts have not been prepared.

Stocks

Stocks and work in progress is stated at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

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

Financial instruments

Basic financial assets, including trade and other debtors, cash and bank balances and investments in term deposits, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. Any impairment losses are recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade and other creditors are measured at amortised cost using the effective interest method. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Pension costs and other post-retirement benefits

Defined contribution pension plan

- (a) The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 ACCOUNTING POLICIES – Continued

Defined benefit pension plan

- (b) The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset/liability recognised in the balance sheet in respect of the defined benefit plan is the shortfall/excess of the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments (discount rate).

The fair value of plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of financial activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement of net defined benefit liability".

The cost of the defined benefit plan, recognised in the profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i) The increase in pension benefit liability arising from employee service during the period; and
- ii) The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the statement of financial activities as a finance expense.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

1 ACCOUNTING POLICIES - Continued.

Defined benefit pension scheme

(a) The company has an obligation to pay pensions benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

Prior period adjustment

Where corrections are required to comparative figures, these are adjusted in the earliest period to which they relate. Details of such restatements are included in note 26.

2 NET INCOME/(EXPENDITURE)

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

	2024	As Restated 2023
	£	£
Depreciation	152,558	241,585
Auditors remuneration for audit work	14,550	12,700
Auditors remuneration for accountancy services	6,925	3,700
Auditors remuneration for taxation and other services	28,605	4,950
Loss on disposal of fixed assets	-	292,792
Interest on bank loans	812	1,062
Interest on hire purchase	2,606	6,753
Rentals under operating leases – plant and machinery	719	3,457
Impairment of sports equipment	1,908	29,350

3 DONATIONS AND LEGACIES

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Grants & donations	14,835	-	14,835	18,512	17,952	36,464
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	14,835	-	14,835	18,512	17,952	36,464
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

4 INCOME FROM CHARITABLE ACTIVITIES

	Management Fee £	Change of Law £	Membership £	Sports Activities & Swimming Pool £	Other Income £	2024 Total £	As Restated 2023 Total £
Devon contract	-	-	-	-	-	-	(14,216)
BSF contract	128,000	-	502,628	765,495	1,720	1,397,843	1,332,675
Dorset contract	216,350	-	506,308	717,243	2,460	1,442,361	1,391,775
Activities	-	-	189,776	22,371	8,795	220,942	400,330
Total 2024	344,350	-	1,198,712	1,505,109	12,975	3,061,146	3,110,564
Total 2023 - Restated	362,315	-	1,216,922	1,520,315	11,012	3,110,564	

5 OTHER TRADING ACTIVITIES

	Income from Vending and Bar		Raising Funds - Cost of Sales	
	Sales			
	2024	2023	2024	2023
	£	£	£	£
BSF contract	114,950	115,599	60,825	70,841
Dorset contract	25,878	17,449	11,384	14,901
Activities	4,813	8,304	4,218	6,276
	<hr/>	<hr/>	<hr/>	<hr/>
Total Sites	145,641	141,352	76,427	92,018
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs	Premises & Equipment Costs	Onsite Admin Costs	Other Costs	Total Direct Costs	Support Costs (Note 7)	2024 Total	As Restated 2023 Total
	£	£	£	£	£	£	£	£
Devon contract	-	-	-	-	-	-	-	22,834
BSF contract	767,238	195,247	23,027	2,813	988,325	353,418	1,341,743	1,337,413
Dorset contract	725,446	391,901	18,637	775	1,136,759	214,569	1,351,328	1,393,542
Activities	127,335	136,693	2,572	6,681	273,281	182,726	456,007	1,459,575
Total 2024	1,620,019	723,841	44,236	10,269	2,398,365	750,713	3,149,078	4,213,364
Total 2023 - Restated	2,064,294	995,323	57,072	12,256	3,128,945	1,084,419	4,213,364	

7 SUPPORT COSTS

	Staff Costs	Premises Costs	IT & Office Costs	Legal & Professional Fees	Finance Costs	2024 Total	As Restated 2023 Total
	£	£	£	£	£	£	£
Devon contract	-	-	-	-	-	-	(3,021)
BSF contract	11,111	272,031	39,534	29,741	1,001	353,418	343,735
Dorset contract	11,110	133,731	37,047	31,780	901	214,569	479,948
Activities	-	95,813	53,919	32,299	695	182,726	263,757
Total 2024	22,221	501,575	130,500	93,820	2,597	750,713	1,084,419
Total 2023 - Restated	121,719	731,747	167,438	56,461	7,054	1,084,419	

Support costs have been allocated to the contracts on the basis of directly relating to a specific contract or apportioned as follows: Staff costs – based on percentage of income from each contract; Other costs – by number of contracts. Premises and equipment costs includes impairments totalling £1,908 (2023: £29,350)

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

8 STAFF COSTS

	2024	2023
	£	£
Salaries and wages	1,519,098	1,898,696
Social security costs	85,035	130,374
Pension costs	38,107	60,283
Redundancy costs	-	96,660
	<hr/>	<hr/>
	1,642,240	2,186,013
	<hr/> <hr/>	<hr/> <hr/>

No employee's emoluments fell within the band of £80,000 - £89,999 (2023: One).

No employee's emoluments fell within the band of £260,000 - £269,999 (2023: One).

Some employees are members of a defined benefit pension scheme, details of which are provided in note 21.

Key management personnel remuneration is disclosed in note 22.

The average number of employees during the period, analysed by contract, was as follows:

	2024	2023
BSF Contract	66	66
Dorset Contract	66	66
Activities	19	21
Total Direct Staff	<hr/> 151	<hr/> 153
Head Office Admin Support	7	8
	<hr/>	<hr/>
	158	161
	<hr/> <hr/>	<hr/> <hr/>

9 TRUSTEES' REMUNERATION

During the period, no remuneration has been paid to the Trustees or any person connected with them (2023: £Nil). No travelling expenses were paid to Trustees (2023: £Nil).

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

10 FIXED ASSETS – As Restated

	Leasehold Property Improvements £	Fixtures and Equipment £	Computer Software £	Total £
Cost				
At 1 April 2023	922,128	1,261,940	126,793	2,310,861
Additions	-	10,544	-	10,544
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	922,128	1,272,484	126,793	2,321,405
Depreciation				
At 1 April 2023	624,399	1,047,577	41,571	1,713,547
Charge for year	57,987	81,476	13,125	152,588
Impairment/(remeasurement)	-	(54,190)	-	(54,190)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	682,386	1,074,863	54,696	1,811,945
Net Book Value				
At 31 March 2024	239,742	197,621	72,097	509,460
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	297,729	214,363	85,222	597,314
	<hr/>	<hr/>	<hr/>	<hr/>

Included within fixed assets are assets with a net book value of £32,658 (2023: £9,509) relating to assets held under finance lease agreements. The depreciation charged in the period in respect of assets held under finance lease agreements amounted to £31,041 (2023: £16,596).

During the year on renewal of finance leases, the net realisable value of the relating assets was reviewed. The assets were subsequently upwardly remeasured by £54,190 to the remaining lease value (2023: £29,350)

11 INVESTMENTS

	Total £
Cost	
At 1 April 2023 and at 31 March 2024	<hr/> 1
Net Book Value	
At 31 March 2024	<hr/> 1
At 31 March 2023	<hr/> 1

1610 Limited owns 100% of the subsidiary Incedo Limited. The company's principal activity is to carry out trading activities on behalf of 1610 Limited.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

12 STOCKS

	2024	2023
	£	£
Trading stock	10,940	7,289
	<u>10,940</u>	<u>7,289</u>

13 DEBTORS

	2024	2023
	£	£
Trade debtors	60,202	28,832
Other debtors	24,926	29,280
Prepayments	48,820	35,409
Amount owed by subsidiary undertaking	1,202	1,202
	<u>135,150</u>	<u>94,723</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	As Restated 2023
	£	£
Trade creditors	118,819	82,845
Social security and other taxes	33,757	38,400
Finance leases	32,659	9,509
Other creditors	5,021	6,794
Bank loans	10,078	9,000
Accruals	217,802	263,044
Deferred income	64,747	61,663
	<u>482,883</u>	<u>471,255</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans	17,357	28,271
	<u>17,357</u>	<u>28,271</u>

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Bank loans		
Amounts falling due within one year	<u>10,078</u>	<u>9,000</u>
Amounts falling due between one and two years	<u>10,332</u>	<u>10,906</u>
Amounts falling due between two and five years	<u>7,025</u>	<u>17,365</u>

16 SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Creditors: amounts falling due within one year:		
Finance leases	32,659	9,509
Bank loans	10,078	9,000
Creditors: amounts falling due after one year:		
Bank loans	17,357	28,271
	<u>60,094</u>	<u>46,780</u>

The finance leases are secured on the related leased assets.

The bank loans are secured by a fixed charge over all plant and machinery and goodwill, owned now or in the future and a floating charge over all other property assets and rights of the company. The loan was drawn down in November 2020 under the provisions of the Coronavirus Business Interruption Loan Scheme (CBILS). The loan carries interest at the rate of 2.5% and will be fully repaid by November 2026.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

17 CONTINGENT LIABILITY

The Charity had guaranteed its payment obligations under a contract for the management of leisure facilities by arranging performance bonds for £115,744 and £90,528 which expire in January 2025 and £29,000 and £100,000 which expired in October 2024.

18 LEASE COMMITMENTS

Hire purchase contracts

Minimum lease payments fall due as follows:

	2024	2023
	£	£
Net obligations repayable:		
Within one year	32,659	9,509
	<hr/>	<hr/>
	32,659	9,509
	<hr/> <hr/>	<hr/> <hr/>

Other operating leases

	2024	2023
	£	£
Non-Cancellable operating leases		
Minimum payments under the leases are as follows:-		
Leases expiring:		
Within one year	719	2,738
Between one and five years	-	719
	<hr/>	<hr/>
	719	3,457
	<hr/> <hr/>	<hr/> <hr/>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long term Liabilities	Pension Liability	Total
Restricted Income Funds	£	£	£	£	£
GAP funding	-	1,302	-	-	1,302
Total Restricted Funds	-	1,302	-	-	1,302
Unrestricted Income Funds					
Trinity sinking fund - designated	-	24,006	-	-	24,006
Unrestricted income funds	509,461	114,804	(17,357)	-	606,908
Pension reserve	-	-	-	3,000	3,000
Total Unrestricted Funds	509,461	138,810	(17,357)	3,000	633,914
Total Funds	509,461	140,112	(17,357)	3,000	635,216

Purposes of Restricted Funds

- GAP funding is for supporting the programme of play schemes in Glastonbury. The money was for purchasing and maintaining equipment to benefit the children.

Purposes of Designated Funds

The Trustees have set aside the following designated fund:

- The Trinity sinking fund – which represents fund set aside in respect of future facilities management services of the Trinity centre.
- The Pension reserve relates to the defined benefit pension scheme as detailed in note 21.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

20 MOVEMENT IN FUNDS

	As Restated Balance as at 1 April 2023	Income	Expenditure	Actuarial Gain	Transfers	Balance as at 31 March 2024
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
Total Restricted Funds	1,302	-	-	-	-	1,302
Trinity sinking fund - designated	24,006	-	-	-	-	24,006
Unrestricted income funds	605,043	3,227,370	(3,225,505)	-	-	606,908
Pension reserve	21,000	-	-	(18,000)	-	3,000
Total Unrestricted Funds	650,049	3,227,370	(3,225,505)	(18,000)	-	633,914
Total Funds	651,351	3,227,370	(3,225,505)	(18,000)	-	635,216

21 EMPLOYEE BENEFIT OBLIGATIONS

West Dorset District Council scheme

During the year ended 31 March 2013, 1610 Limited agreed a contract to provide leisure services for West Dorset District Council. Part of this contract included the transfer of employees and their associated pension benefit obligations. As part of the transfer agreement the defined pension obligations in respect of transferred employees became the responsibility of 1610 Limited from 1 October 2012. These pension scheme obligations at the balance sheet date showed a surplus of £3,000 (2023: Surplus of £21,000).

The employer contributions expected to be paid to WDCC scheme during the period ending 31 March 2025 are £4,000.

The assets of this defined benefit scheme are held separately from those of the company and comprise segregated funds of the Dorset County Council Pension Fund in respect of pension benefits provided by the Local Government Pension Scheme (LGPS) to employees of 1610 Limited. The LGPS is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2014. It is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. The scheme is now closed to new members.

Contributions are set every three years as a result of the actuarial valuation of the Funds required by the Regulations. The most recent full valuation was 31 March 2019. The next actuarial valuation of the Funds will be carried out as at 31 March 2022 and will set contributions for the period from 1 October 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The company does not operate any unfunded schemes.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

21 EMPLOYEE BENEFIT OBLIGATIONS – continued

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

	2024	2023
	Total	Total
	£	£
Defined benefit scheme:		
Current service cost	5,000	10,000
	<hr/>	<hr/>
Total charge in operating profit	5,000	10,000
Defined benefit scheme:		
Net interest (income)/expense	(1,000)	13,000
Admin expenses	1,000	1,000
	<hr/>	<hr/>
Total charge	5,000	24,000
	<hr/> <hr/>	<hr/> <hr/>

Defined Benefit Pension Plans

	2024	2023
	Total	Total
	£	£
Present value of funded obligations	(696,000)	(695,000)
Fair value of plan assets	797,000	716,000
Impact of asset ceiling	(98,000)	-
	<hr/>	<hr/>
Pension fund assets	3,000	21,000
	<hr/> <hr/>	<hr/> <hr/>

The principal actuarial assumptions at the balance sheet date were:

	2024	2023
Discount rate	4.95%	4.8%
Future salary increases	2.9%	2.9%
Future pension increases	2.9%	2.9%
Consumer Price Index price increase	2.9%	2.9%

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

21 EMPLOYEE BENEFIT OBLIGATIONS - continued

Mortality

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 90% for males and 100% for females. These base tables are then projected using the CMI 2020 Model, with an allowance for future longevity improvement of 1.25% per annum, smoothing parameter of 7.5%, an initial addition parameter of 0.5%pa and a 2020 weighing of 25%.The 2020 weight parameter reflects the exceptional mortality due to the coronavirus pandemic. The effect on assumed life expectancies is demonstrated in the table below.

The average life expectancy in years for a member from the age of 65 are:

		2024	2023
		(years)	(years)
Retiring today:	Males	21.8	22.2
	Females	23.9	24.2
Retiring in 20 years	Males	23.1	23.5
	Females	25.4%	25.6

Demographic / statistical assumptions:

A set of demographic assumptions that are consistent with those used for the most recent fund valuation as at March 2024 were adopted.

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£000	£000	£000
At 1 April 2023	716	(695)	21
Benefits paid	(7)	7	-
Employer contributions	3	-	3
Contributions by scheme participants	1	(1)	-
Current service cost	-	(5)	(5)
Interest income/(expense)	34	(33)	1
Admin Expenses	(1)	-	(1)
<u>Remeasurement gains/(losses)</u>			
Actuarial gains	-	31	31
Return on plan assets excluding interest income	51	-	51
Impact of asset ceiling	(98)	-	(98)
At 31 March 2024	699	(696)	3

21 EMPLOYEE BENEFIT OBLIGATIONS – continued

The fair value of the major categories of scheme assets are as follows:

	Defined Benefit Pension	
	Plans-Total	
	2024	2023
	£000	£000
Equities	499	446
Liability driven investment	-	4
Other bonds	52	47
Diversified Growth Fund	53	48
Infrastructure	59	54
Multi asset credit	55	47
Property	62	58
Cash	17	12
	<hr/>	<hr/>
	797	716
	<hr/> <hr/>	<hr/> <hr/>

The return on plan assets was:

	2024	2023
	£000	£000
Interest income	34	20
Return on plan assets less interest income	<hr/> (51)	<hr/> (55)
Total return on plan assets	<hr/> (17)	<hr/> (35)
	<hr/> <hr/>	<hr/> <hr/>

22 RELATED PARTY TRANSACTIONS

During the year the company paid for goods and services on behalf of Incedo Limited, a wholly owned subsidiary to the value of £1,219 (2023: £2,869). A balance of £1,202 (2023: £1,202) was owing from Incedo Limited at the balance sheet date.

The key management of the charity comprises the Chief Executive Officer. The total employee benefits of the key management personnel were for the year £55,976 (2023 CEO and SLT: £517,715).

23 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no authorised or issued share capital. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

24 ULTIMATE CONTROLLING PARTY

As a company limited by guarantee, the company is not under the control of any one individual. All decisions are taken by the Board of Directors who are the members of the company.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

25 COMPARATIVE INFORMATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023 – AS RESTATED

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
INCOME FROM			
Donations and legacies	18,512	17,952	36,464
Charitable activities	3,110,564	-	3,110,564
Other trading income	141,352	-	141,352
Investments	2,831	-	2,831
	<hr/>	<hr/>	<hr/>
Total	3,273,259	17,952	3,291,211
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON			
Raising funds	92,018	-	92,018
Charitable activities	3,945,199	81,688	4,026,887
Reorganisation costs	186,477	-	186,477
	<hr/>	<hr/>	<hr/>
Total	4,223,694	81,688	4,305,382
	<hr/>	<hr/>	<hr/>
Net expenditure	(950,435)	(63,736)	(1,014,171)
Transfer between funds	67,952	(67,952)	-
Remeasurement of defined benefit pension schemes	549,000	-	549,000
	<hr/>	<hr/>	<hr/>
Net movement in funds	(333,483)	(131,688)	(465,171)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total funds brought forward	983,532	132,990	1,116,522
	<hr/>	<hr/>	<hr/>
Total funds carried forward	650,049	1,302	651,351
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

25 COMPARATIVE INFORMATION (Continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 MARCH 2023 - AS RESTATED

	Tangible Fixed Assets	Net Current Assets	Long Term Liabilities	Pension Liability	Total
	£	£	£	£	£
Restricted Income Funds					
GAP Funding	-	1,302	-	-	1,302
Total Restricted Funds	-	1,302	-	-	1,302
Unrestricted Income Funds					
Trinity sinking fund – designated	-	24,006	-	-	24,006
Unrestricted income funds	597,315	35,999	(28,271)	-	605,043
Pension reserve	-	-	-	21,000	21,000
Total Unrestricted Funds	597,315	60,005	(28,271)	21,000	650,049
Total Funds	597,315	61,307	(28,271)	21,000	651,351

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

25 COMPARATIVE INFORMATION (Continued)

MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2023 – AS RESTATED

	Balance as at 1 April 2022	Income	Expenditure	Actuarial Gain	Transfers	Balance as at 31 March 2023
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
South Molton	131,132	-	(81,132)	-	(50,000)	-
Torrige	556	-	(556)	-	-	-
ATP lights	-	17,952	-	-	(17,952)	-
Total Restricted Funds	132,990	17,952	(81,688)	-	(67,952)	1,302
Trinity sinking fund - designated	23,271	-	-	-	735	24,006
Unrestricted income funds	1,488,261	3,273,259	(4,223,694)	-	67,217	605,043
Pension reserve	(528,000)	-	-	549,000	-	21,000
Total Unrestricted Funds	983,532	3,273,259	(4,223,694)	549,000	67,952	650,049
Total Funds	1,116,522	3,291,211	(4,305,382)	549,000	-	651,351

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2024

26 PRIOR YEAR ADJUSTMENT

Income Recognition

During the year it was identified that income recognition timing in respect of membership fees was not consistent with the requirements of the Statement of Recommended Practice. Accordingly, the prior year comparatives have been restated. An opening balance adjustment has been recorded to rectify the deferred income balance reducing opening net assets by £52,305. The comparative figures have also been updated increasing deferred income as at 31 March 2023 by £58,677. The impact of this adjustment is a £6,372 reduction to income in the comparative figures and a £58,677 reduction to net assets as at 31 March 2023.

Fixed Asset Impairment

During the year it was identified that fixed assets held under leases had not been depreciated in line with the lease term. Accordingly, the prior year comparatives have been restated to reflect the impairment of the assets reducing netbook value to the remaining lease value. An opening balance adjustment to rectify the value of those assets has been recorded, reducing opening net assets by £92,431. The comparative figures have also been updated to reflect an impairment expense of £29,350 during the 2023 year. The overall impact is a reduction of net assets of £121,781 as at 31 March 2023.

Expenditure Recognition

During the year it was identified that expenditure accruals in respect of wages and profit share were understated by £92,955. The comparative figures have been updated to reflect this additional expenditure. The impact of this adjustment is an increase of £92,955 to unrestricted expenditure and a decrease in net assets as at 31 March 2023.

The effect of the above prior period adjustments on reserves as at 1 April 2022 is as follows:-

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
As previously reported	1,128,268	132,990	1,261,258
Adjustment of impairment of assets	(92,431)	-	(92,431)
Adjustment of deferred income	(52,305)	-	(52,305)
As restated at 1 April 2022	<u>983,532</u>	<u>132,990</u>	<u>1,116,522</u>

27 POST BALANCE SHEET EVENTS

On 1 August 2024 Walden Leisure Limited, a Co-operative and Community Benefit Society, registration number IR29336R, has taken over the ownership of 1610 Limited.

1610 LIMITED

England & Wales - Charity number 1130010

Accounts

1610 Limited

**Report of the Trustees, Strategic Report and
Audited Financial Statements
For the Year Ended 31 March 2023**

**Registered Charity Number 1130010
Registered Company Number 06727055 (England and Wales)**

1610 Limited
Contents of the Financial Statements
For the Year Ended 31 March 2023

Reference and Administrative Information	2
Trustees' Annual Report (Incorporating the Strategic Report)	3
Report of the Independent Auditors	15
Statement of Financial Activities (Incorporating the Income and Expenditure Account)	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21

1610 Limited
Reference and Administrative Information
For the Year Ended 31 March 2023

TRUSTEES: Mr M Winlow
Mr J Sladden (resigned 25 July 2022)
Mr R Burt (resigned 6 April 2023)
R Cardwell (appointed 6 April 2023)
P Harvey (appointed 6 April 2023)
B Hayward (appointed 6 April 2023)
J Kelly (appointed 6 April 2023)

SECRETARY: Mr P Fox

REGISTERED OFFICE: Trinity Sports & Leisure
Chilton Street
Bridgwater
Somerset
TA6 3JA

**REGISTERED COMPANY
NUMBER:** 06727055 (England and Wales)

**REGISTERED CHARITY
NUMBER:** 1130010

AUDITORS: A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

BANKERS: NatWest
26 – 27 Fore Street
Taunton
Somerset
TA1 1JQ

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

The Trustees, who are also Directors for the purposes of company law, present their annual report and their strategic report with the financial statements for the year ended 31 March 2023.

Introduction from our chair; Malcolm Winlow.

Welcome to the 1610 Ltd 2022/23 Trustee report.

UK business has faced an unprecedented series of global, regional and UK based challenges over the past few years - Brexit, the COVID pandemic, Ukraine war and consequential energy crisis, rampant global and local inflation. Any single one of these matters has serious ramifications for business. Their combined impact has created a truly complex and unstable environment to try and navigate as a charitable limited company.

1610 did successfully negotiate a path through the COVID pandemic. It survived the pressures of lockdown, re-launch and social distancing and emerged into 22/23 with a sound financial reserve.

However, 2022/23 proved to be a year of major change and further upheaval, principally driven by the invasion of Ukraine that has led to soaring energy costs and crippling inflationary pressures. The nature of leisure assets, such as swimming pools, are now facing the prospect of huge annual energy bills. The very future of certain aspects of the UK leisure portfolio has been brought into question. This is ironic, given that the uniqueness of the swimming pool environment had been a cornerstone of post-COVID resurgences in the leisure sector business.

The Board and Senior Leadership Team (SLT) are grateful to the staff teams that have helped maintain the business through this very difficult period. As a part of the ongoing consolidation of business 1610 has had to rationalise business operations, removing loss making sites and closing down activity areas that have become financial untenable. The scaling down of 1610 operational sites has inevitably led to the need to reduce senior management and 'back office' personnel and systems – the central costs of the business.

The pace and scale of change and reduction in size has left 1610 Ltd at a watershed moment. In 2019 the Trust Board had taken the decision to seek a partnership or absorption with other leisure providers. In 2022/23 this has become an urgent pressure for 1610. In the short term, the business has retained sound financial reserves that will help underpin the remaining site operations, whilst a new strategic direction is defined by the Trust Board for 2023/24.

Structure, Governance and Management
Governing Document

1610 Limited is a charitable company limited by guarantee, incorporated on 17 October 2008, and registered as a charity on 5 June 2009. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Principal Activities

In 2022/23 the Trust operated 3 leisure centres on behalf of local Councils in the Southwest UK. Together with 1610 owned / leased sites these facilities provide community access to sporting / leisure / fitness services ensuring local rural facilities are available to everyone and the promotion of a fit and healthy lifestyle. Complementing the leisure contracts were four 1610 owned /managed facilities and services that operate sports development, health, and wellbeing programmes.

Organisational Structure

1610 is strategically managed by a Trust Board comprising of Trustee Directors. The Board traditionally met four times per annum. The significant changes to the charitable company that were required in 2022/23 led to more regular meetings to address the necessary matters required to sustain the Trust business.

The Board is serviced by a part time Company Secretary. Specialist advisers to 1610 e.g. Accountants / Legal / Consultants attend Board meetings to advise Trustees as required.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

The Board delegates responsibility for daily operations to the Chief Executive and the SLT. This team has responsibility for the delivery of contractual outcomes, service specifications and to agree on Key Performance Indicators. Further pathways of delegation are in place from the CEO / SLT through to the wider management Team to operate the Trust business units across multiple venues in the Southwest.

Operational standards are defined through nationally recognised quality leisure management systems/frameworks that comprehensively document activities and processes for staff at all levels.

Recruitment and Appointment to the Trust Board

Directors of the company are also charity Trustees for the purposes of charity law. They are elected to serve for 3 years retiring on the third anniversary of their appointment, after which they may be re-elected for a further 3 years. They must retire at the end of that period and may not be re-elected until the expiry of 1 year from their retirement unless the Trustees consider that it would be in the best interests of the Charity for a particular Trustee or Trustees to continue to serve beyond that period and that Trustee or those Trustees are reappointed in accordance with the company's articles of association. Potential new Trustees are identified through networking and recommendation; it is important to us that Trustees understand our ethos from the outset and are passionate about what we do.

1610 has faced extraordinarily complex and difficult challenges during the 18 months following the COVID outbreak in 2020. In 2019 the Trust Board agreed to seek a merger or partnership with a 'third party' charitable organisation. Recruitment of new Trustees was put on hold as this option was explored. The COVID pandemic and economic uncertainty has not created an environment to successfully recruit new Board members. This is a difficulty that is acknowledged across the UK charitable sector.

Post pandemic, it was evident that the Board and the Trust business needs to be restructured and re-shaped to reflect its reduced scale and size. During 2022/23 the Charity took steps to increase the size of the Trust Board and to bring in new Trustees, with leisure and business knowledge, to bolster the Board. A marketing campaign was put in place to attract new people to the Board.

Two long standing Board members retired in the year and the Board now comprises of five Trustee / Directors.

Trustee Induction and Training

New Trustees are invited to meet the Senior Leadership Team and Board members and are given a short induction at Trinity Sport and Leisure centre HQ to advise them on the operations, activities, and key personnel within the Trust. These sessions are led by the Chief Executive and other key senior staff and include:

- A welcome pack: including materials related to the Trust operations and governance (including the financial accounts), legal status and guidance from the Charity Commission on the responsibilities, obligations, and liabilities of becoming a Trustee.
- Trustees are offered the chance to shadow a Trust Board meeting.
- New Trustees are given an opportunity to visit one of the main Trust leisure operations to familiarise themselves with the core work and to meet Trust staff.
- New Trustees are also encouraged to contact the Chair of the Trust, a fellow Trustee, or the Company Secretary to gain a further insight into the day- to- day business and ethos of the organisation.
- Trustees are regularly updated on training opportunities at Board sessions including key functions around safeguarding and health and safety.
- All Trustees are given an induction as part of the Trust health and safety policy. Core training on health/safety and safeguarding is delivered to the Board on an annual basis or as and when significant changes to policy or UK Law dictate the need for a refresh.

The recruitment process and associated documents are due to be updated in 2023/24.

Our Aims and Objectives

1610 Trust purposes are defined in the objects set out in the company's Memorandum of Association and can be summarised as follows:

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

- The advancement and support of education, cultural services, and other related provision through direct management of facilities or related activity programmes.
- The delivery and management of leisure, recreation, and sports facilities particularly with a focus on provision for 'hard to reach' groups and key target groups that have barriers to participation.
- The promotion and delivery of health and wellbeing programmes with an emphasis on sport and physical activity.
- The advancement of physical education and sport.
- Other charitable proposals that have public benefit which are consistent with the core objectives of the trust.

1610 Trust seeks to deliver high quality services to Somerset and wider Southwest communities. The core aims of our work is to develop 1610 facilities and programmes to improve health, sporting / leisure abilities and participation; contribute to raising the quality of life for the general community and supporting schools in their development of young people. Throughout this work, Trustees recognise that there is a need to ensure that the Trust observes Charity Commission guidance on public benefit to ensure alignment with activities and the core Trust aims and objectives.

This model often provides isolated or small rural communities with access to local sports, health, and learning facilities / programmes where there would be insufficient volumes of people to make dedicated leisure centres viable.

Through this network of centres, 1610 delivers a diverse programme, often being asked to target hard to reach groups, those that are financially or social excluded, isolated communities or to work in areas with significant deprivation issues. 1610 works with groups and individuals creating many examples of life changing experiences. They are often achieved through using leisure / sport / health and fitness as a catalyst for altering the direction of a person's life or by providing new opportunities for a whole community.

Strategic Report

Achievement and Performance

Managing delivery of our aims

In normal operating years Senior Managers and the Trustees review the Trust aims, objectives and delivery on an annual basis against the yearly business plan that includes contractual targets and the annual budgets. Each department of the Trust produces annual work stream plans to enable successful programme delivery and overall development of the Trust business.

Through the UK Growth Accelerator Programme, 1610 fully embedded the Vision Orbit (VO) strategic business tool to review and development organisations performance. The annual VO, Vital Few and Single Page Plan form the basis of business planning within the company. Staff members at every level of the organisation use this tool to align activities.

During the 2022/23 year the Trust managed a series of public sector service contracts in Southwest England:

- A ten-year contract with Futures for Somerset, to operate two dual use leisure facilities as part of the PFI Building Schools for the Future initiative in Bridgwater, Somerset. In 2020 the Futures for Somerset leisure contract was extended for a further five years to end in September 2025.
- A ten-year contract with Dorset Council to operate the £8.5m Dorchester Leisure Centre in Dorchester. Dorset Council extended its contract for the operation for Dorchester Leisure Centre beyond October 2022 – to April 2024.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

The status of each contract is set out in the key activities section below. Each contract has a comprehensive performance framework that is monitored quarterly / annually by the Senior Leadership Team and the various Council contract commissioning bodies.

What sets 1610 apart from other fitness/leisure providers is the changing role of the Trust – it is much more than just management of leisure centres. Since 2012 the Trust has actively pursued a wider community role, by increasing the choice of activities - from healthy living initiatives, adult learning programmes to workforce development and training for the leisure industry. Health and wellbeing are however the platform and common denominator to the activities, and the reason 1610 has an enormous impact on people's lives.

Key KPIs for the Trust are:

- Number of people attending our sites.
- Meeting fitness standards.
- Number of customer complaints, linked to customer satisfaction.
- Health & Wellbeing attendances.
- Number of effective community and club partnerships.
- Numbers of Children enrolled on Swim Programmes.
- Number of Trust fitness members.

The Focus of Work 2022/23

Financial Risk Management / Business Stability

- The Trust took management action to reduce overheads and ensure that the organisation remained solvent and able to post a surplus budget for 23/24. The details of the redundancies programme and site closures are included in this report. The Trust was able to fund this extensive settlement through the COVID insurance payment and general reserves within the company.
- The business continued to recover lost business at the main sites
- The Dorset LGPS pension fund liability was surprisingly reversed in 2022/23, moving from a £524k liability into a £21k surplus. This helped to substantially reduce the 22/23 loss through business operation.

Key activities 2022/23

• **Operations**

1610 main sites continued to recover fitness membership and swim memberships, the key drivers of 1610 business. The larger sites in the 1610 portfolio also began to stabilise around the issue of staff and recruitment with staff teams moving back to normal levels as activity increased and opening hours at sites returned to pre-COVID levels.

• **1610 Site Disposals**

In year, the on-going financial pressures necessitated that the Trust review all aspect of operations to identify matters impacting on business viability. The outcome was the decision to exit operations on three sites that 1610 operated on a 'standalone' basis. This was disappointing for all concerned. The rural nature of two of the three sites meant that any small loss of business rendered sites untenable.

A disposal of assets plan was established:

1. South Molton Swimming Facility - Devon

The impact of spiralling energy costs and loss of business moved the Trust to close the 1610 South Molton Swimming Pool in October 2022. The site had become financially unviable. 1610 worked though the disposal of the asset and eventually sold the site leasehold in March 2023.

2. King Alfreds Leisure Centre - Burnham, Somerset

1610 reached agreement with the Academy chain that owns King Alfred School, Burnham, to exit the existing lease for the operation of the dual use leisure centre. The site had transferred to 1610 at the end of the Somerset County Council contract in April 2019. The leisure business had not returned to a sufficient level to make the site a viable operation. The site closed in January 2023

3. Caryford Leisure Centre – Ansford, Somerset

This was the second dual use site retained at the end of the Somerset County Council contract. This very rural site became economically non-viable post COVID. The lease was terminated, by mutual agreement, with Ansford Academy. It closed in December 2022.

- **Central Team Redundancy and Restructure**

At the beginning of the 2022/23 the Trust Board and SLT fully recognised that the ending of two, long term service contracts in recent years plus the pandemic impact had left 1610 in a very substantial loss-making position. Financial forecasts for 2023/24 indicated that the financial position would worsen, with substantial losses forecast unless the Company central and senior management team was re-organised, and redundancies completed. Throughout the year the Trust Board sought advice and considered the most appropriate action to take to resolve the financial pressures. In October 2023 the Board agreed a position to drastically reduce the central overheads of the company. Between September and March 2022, the Trust completed a redundancy programme involving 5 staff, including the existing CEO. This action enabled the Trust to set a surplus forward budget for 2023/24. The changes put in place were significant, involving staff that had been at the heart of 1610 business since the Trust was launched.

Throughout the year the Trust also lost several key longstanding staff members in marketing and finance. As an outcome the Trust performance was weakened. Recruitment of replacement staff in the current job market has been extremely challenging.

- **Dorset Council Leisure Contract Extension**

In June 2022, Dorset Council approached 1610 to discuss an increase to the existing Leisure Services contract to operate Dorchester Leisure centre. The Council and the Trust agreed an 18-month extension to March 31, 2024. A further extension is under consideration.

Investment Policy

The majority of funds that the Trust generates on an annual basis is committed to annual operations. It is unlikely, in the short or medium term, that there will be significant funds generated for long term investment. The Board is keen to make provision for the development and growth of the reserve fund however, it is important that the Trust uses its cash to develop business and support the agreed charitable outcomes. Cash in hand is held in a special interest-bearing account with NatWest. The bank offers a basic treasury service to maximise the investment of these funds whilst covering day to day operational business needs.

Reserves Policy

The Trustees recognise the requirement to establish a reserves policy; in setting the reserves policy the Trustees have considered the need to manage resources for the benefit of the charity's aims and objectives and to maintain financial stability, considering the risks and potential impact in the current economic environment.

The Trust Board review the reserve policy annually and has a policy of holding a minimum Reserve of £200,000. As income covers operational costs the need to maintain reserves is based on any unforeseen call on funds, and for future capital and operational expenditure. This has been determined based on the Trust Risk Register; identifying the fiscal impact of these risks being realised, and future of the Trust. This level of reserves is acceptable as it meets the minimum reserves policy and allows the Trust to set aside resources to meet the requirements of the National Living Wage and for future investment projects.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

For the first time in 1610 operating history the Reserves policy was tested by COVID and the economic conditions. The Trust had total reserves beyond the minimum level and levels of cash reserves never fell below £300,000 in the year.

The Reserves Policy is annually reviewed.

Key Management Remuneration and Performance Criteria

Remuneration for all job roles is evaluated according to the role and level of responsibility; and this applies to members of SLT (Senior Leadership Team), and the CEO. CEO remuneration is separately reviewed, set by the Trustees and agreed annually by the Board. SLT and the CEO have clear objectives both in their area and at a strategic level; this is incorporated into the Trust's Vision Orbit Business Plan. These objectives are reviewed on a regular basis both at SLT level and at regular "job chats," which are the equivalent to appraisals. The CEO reports to the Board on the objectives together with performance of those objectives.

No general pay increases were awarded beyond the legal requirements in 2022/23. The impact of Living wage remains a major annual financial pressure for the Trust. Maintaining pay differentials is a difficult balancing act given the need to compete within an increasingly price aggressive sector.

1610 has faced significant pressure in pay due to the changes in the employment market and workers moving across sectors for higher paid employment. Given the current financial position of 1610 there is little opportunity to increase pay beyond statutory awards.

In response to spiralling inflation for 2023/24 the Board agreed to increase pay by 5% to staff not impacted by statutory rise from 1 April 2023.

Employee Information

1610 is dependent on the skill and enthusiasm of its employees to achieve its business and charitable objectives. The Trustees are therefore committed to effective employee communication and equal opportunities. The selection, training development and promotion policies ensure equal opportunities for all employees regardless of gender, marital status, race, age, or disability. Internal communications are designed to ensure that employees are well informed about the activities of the charity and staff attitudes are researched so that the Senior Leadership Team can respond positively to the ideas and needs of employees.

The use of Workplace, a Facebook product for internal business communications, has had a positive impact on staff engagement. Eighty percent of staff have active accounts, and this tool has enabled all staff, casual and remote based people, to access 1610 information and communications.

The Trust continues to 'buy-in' external support for HR matters through Mentor HR services.

Recruitment and retention are significant pressures for all UK business sectors post COVID. For 1610 Ltd this had been one of the top five risk areas throughout the year. There has been an increasing reliance on more part time and zero hours' roles. The ability to flex staff teams as the Trust works to bring sites back to 100% operations post the pandemic has been an essential tool in the recovery of the business.

Staffing is the major cost in leisure sector companies and 1610 has set an agenda to aspire to have fewer, better paid staff in the future. The nature of employment in this sector is also changing. More staff are moving to self-employed roles such as PT trainers / Instructors. Given the financial pressures, the Trust management team has also been focussing on ensuring that the optimal management Teams are deployed at sites. In 2022/23 the Trust reviewed the Central Management Team, and as result has reduced this overhead which has significantly reduced financial risk for the business.

Staffing levels at the Trust continue to reduce throughout the year. In April 2022, 1610, employed 181 people. At the year end (March 2023) the Trust payroll had reduced to 162 people.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

Financial Review

Full financial details are in the audited accounts.

The headline financial information for 2022/23:

- The company turnover decreased from £4,383,312 in 21/22 to £3,297,583 year end March 2023.
- The most notable change in income was the return of income generated from the business vs grants / Govt support.
- Expenditure also returned to more normal profiles. However, the Trust experienced higher than expected property costs linked to the re-opening of sites and associated plant failures.
- Expenditure was controlled via the various mechanisms set out in the strategic report. The Trust continued to pay down creditor liabilities and is not seeking to increase borrowing at this time. The Trust Board still aims to reduce commercial borrowing to £0 by the end of 2023/24.
- The Trust began repayments on the COVID Bounce Back Loan in Dec 2021.
- The Trust reported a deficit for the 22/23 year of £885,494 (2022: £195,460 surplus) this includes one-off reorganisation costs incurred during the period.
- Cash at the bank had fallen from £759,505 at the end of 21/22 to £430,550 at the end of 22/23. The Trust's position in relation to its LGPS pension liability in the Dorset leisure contract showed a positive movement for the year, down from a deficit of £528,000 to a surplus of £21,000 (an improvement of £549,000). It should be noted that this assessment is based on the annual actuarial assessment year-on-year. The underlying actuarial assessment of the 1610 Ltd LGPS liability projects the fund is in surplus when considering the contract in terms of a transfer to a new operator in an 'on-going contract' basis.
- The Trust's total reserves reduced by £336,494 from £1,261,258 in 21/22 down to £924,764 at 31 March 2023.

1610 Ltd successfully negotiated the extreme financial challenges of the COVID pandemic to emerge in a much more stable and viable financial position. The coming 2023/24 year will present substantial financial pressures, which will play out in reduced disposable incomes and increased business costs

The ending of all Government financial support provided during COVID will challenge organisations that have not adjusted to the new economic environment.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will have sufficient funds to pay debts as and when they fall due and continue in operation for a period of at least twelve months from the date of authorisation of the financial statements. The current service contract with Dorset Council for the Dorchester contract runs to 31 March 2024 and, based on initial conversations, we expect this contract to be extended for a period of at least a further 12 months, and this is what we have based our assessment on. We believe 1610 has sufficient reserves to continue to trade for at least 12 months from the date of signing the report, even if this contract is not renewed.

Plans for Future Periods
2023/24

In normal years, the Trust prepares annual business plans and financial forecasts for the delivery of commissioned services and developmental work. Post COVID the business plans have been simplified as the core objective of the Trust has been to regain business and re-position the company and its resources and this has been continued for the 2023/2024 financial year.

The 2023/24 Trust Plan set out:

1. As a minimum success measure 1610 to achieve a 150k surplus budget position by March 2024.
2. To position 1610 as an environmentally conscious business and ensuring truly sustainable approaches are taken.
3. Drive staff retention of colleagues who exhibit the 1610 DNA, values and team first approach.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

4. Assess 1610's social value impact as a charity and identify key metrics that is reported to 1610 stakeholders to highlight the impact of its charitable work.
5. Review all front of house systems.
6. Implement new trust timeline planning tool to organise strategic and top end operational planning approaches.
7. Increase the Wellness membership base by 15% by March 2024
8. To rollout 1610 marketing strategy tailored to each facility to help deliver its financial outcomes as set out in the budgets.
9. To improve the quality of service and offer at every 1610 centre by setting out quality assurance metrics.
10. To achieve contract extensions and acquisitions.

Financial viability remains paramount for the Trust. This will involve a continuation of building back, growing and sustaining the usual 1610 business income streams.

In addition to building back the business levels the trust will have to carefully balance this against the backdrop of the cost-of-living crisis which brings two key risks. Firstly, that the Trust's core user base may find their disposable income is squeezed leading to a drop in demand for leisure services undermining the trusts ambitions of organic growth. Secondly is the ever increases in cost to the trust when purchasing the key resources leading to increasing expenditure.

The later of these will need to be carefully managed with leisure faculties often being energy hungry.

Principal Risks and Uncertainties

A full review of the Business Risk Register takes place throughout the year; this is reviewed on a regular basis and the Board is presented with a Business Risk Improvement Plan at each Board meeting, together with any additional risks that are identified. The risk assessment covers all areas of the business including operational, financial, compliance, external and governance risks, particularly in the light of any new projects undertaken and changes to the political climate and local economies.

The current principal risks and uncertainties faced by the Trust are:

- Impact of the increase in energy cost linked to Ukraine / Russia War.
- Recruitment and retention of staff.
- Further extension of existing 1610 public sector contracts.
- Reliance on low margin activities.
- Major Plant failure at sites where 1610 has full repairing liabilities.
- Growth of online leisure providers / Home fitness market / new outdoor leisure provision.
- Loss of key management (Trustee/CEO/SLT).
- Failure of Duty of Care (Health & Safety and safeguarding).
- Increasing Pension liabilities with the Dorset LGPS.
- Heightened safeguarding requirements impacting on operations on School based dual use sites.
- The remaining short timespan on the two remaining Council leisure services contracts.
- Financial viability of a much smaller Trust operation particularly linked to inflation costs.

Systems and processes have been put in place to manage and mitigate the risks 1610 face.

- For health and safety and safeguarding, external consultants are used to assess operational performance, highlight risk management issues and actions needed and provide on-going training.
- All staff undergo formal training and regular updates and courses to ensure they understand their responsibilities regarding safeguarding. Recruitment processes are robust ensuring everyone follows due process, and all staff are Disclosure and Barring Service (DBS) cleared before they can commence employment with the Trust.
- The Trust uses QUEST, a national accredited quality assurance sports framework, to externally assess all aspects of operational performance - highlighting excellence and areas for improvements.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

- These external processes support periodic reviews at Board level prompting adjustment to operations as risks change or new challenges arise.
- Mentor NatWest is available, on demand, for external HR support and advice.
- 1610 Ltd appointed Right Directions – a nation UK H/S provider – to audit all aspects of the Trust operations, provide refresher training for staff and produce a plan to ensure that the re-opened sites and services had a high-quality H/S system in place.

Robust and rigorous financial processes are in place to ensure performance is regularly reviewed on a daily / weekly and monthly level and corrective action taken quickly. This has been essential during the COVID pandemic.

Whilst significant reliance is placed on the CEO and SLT's skills; each has a dedicated team supporting them and no individual works in isolation, ensuring adequate cover can be put in place immediately, temporary cover could also be provided by recruiting external professionals, together with support from the Trustees.

At a more strategic level, legal and financial risks are identified and mitigated through our work with professional advisers and auditors.

1610 continually strives to improve their margins by developing their own branded products and reviewing work practices to ensure the Trust operates as efficiently as possible. 1610 remains flexible in its approach to ensure it can adapt to changes in legislation and contractual requests.

Pool plant failure will always remain a risk that is difficult for 1610 to mitigate against, however we collaborate closely with our contractual partners to ensure the plant is maintained appropriately where it is our direct contractual responsibility to do so.

Risk management is a standing item on the monthly Senior Leadership Team agenda and quarterly Board agenda.

Financial Risk Management Objectives and Policies

The Trustees are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate, and manage the key risks.

a) Price risk - The charity is exposed to price risk as a result of its operations. Due to the economic climate and new leisure budget operator competition the charity must sell and provide services at competitive price to maintain membership levels.

b) Credit risk – Due to the charity's activities, credit is very rarely given. Any credit extended to customers is subject to appropriate review and monitoring.

c) Liquidity risk – COVID 19 pandemic has made this the core focus of daily life. Trustees have regularly been updated on cash flow and financial risk. Support been requested by the Trust from financial advisors and commercial lenders to help manage the Trust business through the pandemic.

d) Cash flow risk - the CEO / Finance Team have provided the Board with quarterly updates on cashflow through the COVID pandemic period. In addition to updates when significant changes have occurred. Cashflow can be tracked daily via the Xero finance system. This data is available to all Trustees and Senior staff daily.

e) Economic risk - The charity's performance is directly impacted by the economic environment. To manage this risk, the charity strives to deliver competitively priced products and services. The charity is actively concentrating on improving efficiency and reducing costs.

f) Credit Rating – the Trust is aware that it is essential to maintain a strong, positive financial profile. The Trust credit rating is reviewed periodically to monitor the health of the Trust finances.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

Post balance Sheet Events - April 2023 onwards

- **Business Return**
1610 has continued to see its business return following the end of the COVID affected period.
- **Cashflow**
The Trust cashflow position and cash reserves have stabilised following the management re-structure and redundancy payments in 2022/23. Cash reserves are now at approximately £450,000.
- **Workforce & Recruitment**
1610 is now operating with a workforce of 162 staff. The labour market has eased and 1610 is no longer experiencing the same level of difficult in recruiting staff as it was in the COVID affected years.
- **Financial Performance**
The Trust has now been able to move back into profit in the first six months of 2023/24 and has set a positive budget for the remainder of 2023/24 and for 2024/25.
- **Recruitment of new Trustees**
Four new trustees, Peter Harvey, Joscelyn Kelly, Ryan Cardwell and Brandon Hayward were appointed on 6 April 2023 to work alongside chairman Malcolm Winlow who stayed on to provide continuity. Former trustee Richard Burt resigned on the appointment of the new trustees.
- **Dorset Council Leisure Contract**
The Dorset Council Leisure Contract was extended by mutual agreement to end March 2024. The Council has informally indicated that it would be willing to grant a further extension, but the terms of the extension have yet to be agreed.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2023

Trustees' Responsibility Statement

The Trustees, who are also Directors of 1610 Limited for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

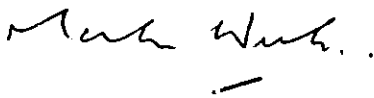
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the Trustees are aware:

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

Authorisation of Financial Statements, Trustees' Report and Strategic Report

The financial statements, which incorporate the Trustees' Report, the Trustees' Responsibilities, and the Strategic Report, were approved by the Board of Trustees on and signed on their behalf by:



M. Winlow
Trustee

18 December 2023

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2023

Opinion

We have audited the financial statements of 1610 Limited (the 'Charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 entity's ability to continue as a going concern for a period of at least 12 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 relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' 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.

1610 Limited

Independent Auditor's Report to the Trustees of 1610 Limited For the Year Ended 31 March 2023

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 (incorporating the strategic report and the directors' report) prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the strategic and directors' 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 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.

1610 Limited

Independent Auditor's Report to the Trustees of 1610 Limited For the Year Ended 31 March 2023

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 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:

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the charitable company operates
- the sector in which the charitable company operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

Laws and regulations which are considered to be significant to the charitable company include those relating to the requirements of financial reporting framework FRS102, the Companies Act 2006, the Charities Act 2011, UK tax legislation, employment law and health and safety. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on the operation of the charitable company.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified, and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the charitable company's procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- corroborating our enquiries through review of Board Minutes and correspondence.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2023

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 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 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.



Michael Cook BSc FCA (Senior Statutory Auditor)
For and on behalf of A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset TA1 2PX

19 December..... 2023

A C Mole is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1610 Limited
Statement of Financial Activities (incorporating the Income and Expenditure Account)
For the Year Ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM					
Donations and legacies	3	18,512	17,952	36,464	225,286
Charitable activities	4	3,116,936	-	3,116,936	4,081,772
Other trading activities	5	141,352	-	141,352	76,190
Investments		2,831	-	2,831	64
Total Income		3,279,631	17,952	3,297,583	4,383,312
EXPENDITURE ON					
Raising funds	5	92,018	-	92,018	55,062
Charitable activities		3,822,894	81,688	3,904,582	4,132,790
- Reorganisation costs		186,477	-	186,477	-
	6	4,009,371	81,688	4,091,059	4,132,790
Total Expenditure		4,101,389	81,688	4,183,077	4,187,852
Net (expenditure)/income		(821,758)	(63,736)	(885,494)	195,460
Transfer between funds	20	67,952	(67,952)	-	-
Net (expenditure)/Income after transfers		(753,806)	(131,688)	(885,494)	195,460
Other recognised gains					
Remeasurement of defined benefit pension schemes	21	549,000	-	549,000	146,000
Net movement in funds		(204,806)	(131,688)	(336,494)	341,460
Total funds brought forward		1,128,268	132,990	1,261,258	919,798
Total funds carried forward	20	923,462	1,302	924,764	1,261,258

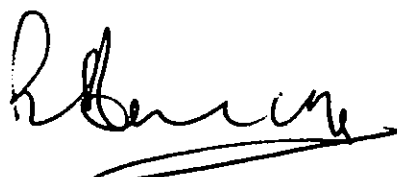
The results for the period derive from continuing activities and there are no gains or losses other than those shown above.

The notes form part of these financial statements.

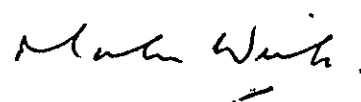
1610 Limited
Balance Sheet (registered no: 06727055)
As at 31 March 2023

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	10		719,095		1,252,456
Investments	11		<u>1</u>		<u>1</u>
			719,096		1,252,457
CURRENT ASSETS					
Stocks	12	7,289		15,679	
Debtors	13	94,723		459,304	
Cash at bank		<u>430,550</u>		<u>759,505</u>	
		532,562		1,234,488	
CREDITORS					
Amounts falling due within one year	14	<u>(319,623)</u>		<u>(650,907)</u>	
NET CURRENT ASSETS LESS CURRENT LIABILITIES			212,939		583,581
CREDITORS					
Amounts falling due after more than one year	15		(28,271)		(46,780)
PENSION ASSET/(LIABILITY)	21		21,000		(528,000)
			<u>924,764</u>		<u>1,261,258</u>
NET ASSETS					
CAPITAL AND RESERVES					
Unrestricted income funds	19		899,456		1,104,997
Designated funds	19		<u>24,006</u>		<u>23,271</u>
Total unrestricted funds			923,462		1,128,268
Restricted funds	19		1,302		132,990
Total Reserves			<u>924,764</u>		<u>1,261,258</u>

The financial statements were approved by the Board of Directors on 18 December 2023 and were signed on their behalf by:



P Harvey
TRUSTEE



M Winlow
TRUSTEE

The notes form part of these financial statements.

1610 Limited
Statement of Cashflows
For the Year Ended 31 March 2023

		2023	2022
		£	£
	Note		
Cash flows from operating activities			
Net cash (used)/generated by operating activities	1	<u>(248,077)</u>	<u>542,299</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(69,569)	(71,077)
Sale of tangible fixed assets		68,553	24,569
Interest received		<u>2,831</u>	<u>64</u>
Net cash generated by/(used in) investing activities		<u>1,815</u>	<u>(46,444)</u>
Cash flows from financing activities			
Loan repayments		(10,648)	(8,985)
Hire purchase repayments		<u>(72,045)</u>	<u>(81,890)</u>
Net cash (used in) financing activities		<u>(82,693)</u>	<u>(90,875)</u>
(Decrease)/Increase in cash and cash equivalents		(328,955)	404,980
Cash and cash equivalents at beginning of year	2	759,505	354,525
Cash and cash equivalents at end of year	2	<u>430,550</u>	<u>759,505</u>

The notes form part of these financial statements.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

1 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Net (expenditure)/income	(885,494)	195,460
Net interest expense	4,984	9,455
Depreciation charges	241,585	314,819
Loss/(Profit) on disposal of fixed assets	292,792	(17,147)
Decrease in stocks	8,390	5,105
Decrease in debtors	364,581	104,525
(Decrease) in creditors	(274,915)	(69,918)
Cash (used in)/generated by operations	<u>(248,077)</u>	<u>542,299</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	2023	2022
	£	£
Cash at bank and in hand	(3,448)	14,947
Short term investments – deposit account	433,998	744,558
	<u>430,550</u>	<u>759,505</u>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

1 ACCOUNTING POLICIES

General information

1610 Limited carries out its objects as noted in the Trustees' annual report. The company is a charitable company and is incorporated and domiciled in the UK. The address of the registered office is Trinity Sports and Leisure, Chilton Street, Bridgwater, Somerset, TA6 3JA.

Basis of preparation and statement of compliance

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

1610 Limited meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The trustees have considered the going concern requirements and are of the opinion that the accounts should be prepared on this basis as the company has sufficient funds to continue trading for the foreseeable future. The current service contract with Dorset Council for the Dorchester contract runs to 31 March 2024 and, based on initial conversations, is expected to be extended for a period of at least a further 12 months, and this is what we have based our assessment on. We believe 1610 has sufficient reserves to continue to trade for at least 12 months from the date of signing the report, even if this contract is not renewed.

Summary of significant accounting policies

The principal accounting policies adopted, critical accounting estimates, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been applied consistently unless otherwise stated.

Income

All income is recognised once the Charity has entitlement to the resources, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Where the criteria for recognition are met in advance of grants actually being received then the income is recognised within the statement of financial activities and amount due included within accrued income in debtors.

Income from grants which relate to the Government's Coronavirus Job Retention Scheme are included within other income, in the period in which the Charity becomes entitled to the income. Where this is in advance of the income being received this is recognised as accrued income within debtors.

Income from change of law payments are included within income from charitable activities in the period in which the Charity becomes entitled to the income. Where this is in advance of the income being received this is recognised as accrued income within debtors.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

1 ACCOUNTING POLICIES - Continued.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be fully recovered and is reported as part of support costs.

Raising funds comprises all costs associated with raising additional funds for Charity through vending and other sales.

Charitable activities comprise all costs directly incurred in undertaking activities to fulfil the Charity's objects, together with any support costs allocated in accordance with the support cost accounting policy as described below.

Other expenditure represents those items not falling into any other heading.

Support costs include administration and head office costs not directly attributable to particular charitable activities are apportioned to charitable activities as detailed in note 7 to the financial statements.

Fund accounting

The unrestricted general fund represents the accumulation of the Charity's income and expenditure that has not been earmarked for specific projects and is not considered by the Trustees to be for a restricted purpose. To the extent that the fund is represented by readily realisable assets it provides a means of financing the day-to-day operations.

Designated funds represent amounts set aside by the Trustees for a particular purpose.

Restricted funds represent the funds received by the Charity for particular purposes as directed by the donors.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised on the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

1 ACCOUNTING POLICIES - Continued.

Tangible Fixed Assets

Tangible fixed assets costing over £500 are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off the cost less estimate residual value of each asset over its estimated useful life:

Leasehold improvements		-	straight-line over the remaining lease term.
Sports equipment:	- Cardio equipment	-	straight-line over 10 years.
	- Resistance equipment	-	straight-line over 10 years.
All other fixtures and equipment		-	straight-line over 10 years.
Computer Software		-	straight line over 10 years.

Investments in Subsidiary Undertakings

Investments in subsidiary undertakings are measured at cost and reviewed annually for impairment. On the basis that the subsidiary is not material to the group, consolidated accounts have not been prepared.

Stocks

Stocks and work in progress is stated at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

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

Financial instruments

Basic financial assets, including trade and other debtors, cash and bank balances and investments in term deposits, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. Any impairment losses are recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade and other creditors are measured at amortised cost using the effective interest method. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Pension costs and other post-retirement benefits

Defined contribution pension plan

- (a) The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1 ACCOUNTING POLICIES – Continued

Defined benefit pension plan

- (b) The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset/liability recognised in the balance sheet in respect of the defined benefit plan is the shortfall/excess of the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments (discount rate).

The fair value of plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of financial activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement of net defined benefit liability".

The cost of the defined benefit plan, recognised in the profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i) The increase in pension benefit liability arising from employee service during the period; and
- ii) The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the statement of financial activities as a finance expense.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

1 ACCOUNTING POLICIES - Continued.

Defined benefit pension scheme

(a) The company has an obligation to pay pensions benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

2 NET (EXPENDITURE)/INCOME

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

	2023	2022
	£	£
Depreciation	241,585	314,819
Auditors remuneration for audit work	12,700	12,000
Auditors remuneration for accountancy services	3,700	3,000
Auditors remuneration for taxation and other services	4,950	10,286
Loss/(Profit) on disposal of fixed assets	292,792	(17,147)
Interest on bank loans	1,062	1,646
Interest on hire purchase	6,753	7,873
Rentals under operating leases – plant and machinery	3,457	6,195

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

3 DONATIONS AND LEGACIES

	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	£	£	Total	£	£	Total
			£			£
Grants & donations	18,512	17,952	36,464	225,286	-	225,286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18,512	17,952	36,464	225,286	-	225,286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

4 INCOME FROM CHARITABLE ACTIVITIES

	Management Fee £	Change of Law £	Membership £	Sports Activities & Swimming Pool £	Other Income £	CJRS £	2023 Total £	2022 Total £
Devon contract	(4,319)	-	680	(35)	(10,542)	-	(14,216)	744,292
BSF contract	138,668	-	473,555	719,370	3,414	-	1,335,007	1,210,131
Dorset contract	227,966	-	462,638	700,623	3,463	-	1,394,690	1,268,887
Activities	-	-	283,019	103,759	14,677	-	401,455	858,462
Total 2023	362,315	-	1,219,892	1,523,717	11,012	-	3,116,936	4,081,772
Total 2022	492,552	177,989	1,235,418	1,695,348	404,738	75,727	4,081,772	

5 OTHER TRADING ACTIVITIES

	Income from Vending and Bar		Raising Funds - Cost of Sales	
	Sales			
	2023	2022	2023	2022
	£	£	£	£
Devon contract	-	2,901	-	652
BSF contract	115,599	63,258	70,841	36,235
Dorset contract	17,449	10,596	14,901	11,453
Activities	8,304	(565)	6,276	6,722
	<hr/>	<hr/>	<hr/>	<hr/>
Total Sites	141,352	76,190	92,018	55,062
	<hr/>	<hr/>	<hr/>	<hr/>

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs	Premises & Equipment Costs	Onsite Admin Costs	Other Costs	Total Direct Costs	Support Costs (Note 7)	2023 Total	2022 Total
	£	£	£	£	£	£	£	£
Devon contract	-	26,141	(286)	-	25,855	(3,021)	22,834	1,031,590
BSF contract	742,587	184,536	24,850	8,684	960,657	291,225	1,251,882	1,008,355
Dorset contract	696,282	177,309	18,803	32	892,426	479,948	1,372,374	1,217,714
Activities	584,982	577,986	13,705	3,540	1,180,213	263,756	1,443,969	875,131
Total 2023	2,023,851	965,972	57,072	12,256	3,059,151	1,031,908	4,091,059	4,132,790
Total 2022	1,996,199	1,144,610	37,298	13,219	3,191,326	941,464	4,132,790	

7 SUPPORT COSTS

	Staff Costs	Premises Costs	IT & Office Costs	Legal & Professional Fees	Finance Costs	2023 Total	2022 Total
	£	£	£	£	£	£	£
Devon contract	-	(3,145)	124	-	-	(3,021)	169,981
BSF contract	60,859	157,792	54,810	12,689	5,075	291,225	257,647
Dorset contract	60,860	361,608	44,895	11,704	881	479,948	270,652
Activities	-	162,981	67,609	32,068	1,098	263,756	243,184
Total 2023	121,719	679,236	167,438	56,461	7,054	1,031,908	941,464
Total 2022	120,573	554,084	182,323	55,400	29,084	941,464	

Support costs have been allocated to the contracts on the basis of directly relating to a specific contract or apportioned as follows: Staff costs – based on percentage of income from each contract; Other costs – by number of contracts.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

8 STAFF COSTS

	2023	2022
	£	£
Salaries and wages	1,858,253	1,928,200
Social security costs	130,374	110,131
Pension costs	60,283	78,441
Redundancy costs	96,660	-
	<hr/>	<hr/>
	2,145,570	2,116,772
	<hr/>	<hr/>

One employee's emoluments fell within the band of £80,000 - £89,999 (2022: None).

No employee's emoluments fell within the band of £110,000 - £119,999 for the year. (2022: One).

One employee's emoluments fell within the band of £260,000 - £269,999 (2022: None).

Some employees are members of a defined benefit pension scheme, details of which are provided in note 21.

Key management personnel remuneration is disclosed in note 22.

The average number of employees during the period, analysed by contract, was as follows:

	2023	2022
Devon Contract	0	45
BSF Contract	66	61
Dorset Contract	66	58
Activities	21	26
Total Direct Staff	<hr/>	<hr/>
	153	190
Head Office Admin Support	8	13
	<hr/>	<hr/>
	161	203
	<hr/>	<hr/>

9 TRUSTEES' REMUNERATION

During the period, no remuneration has been paid to the Trustees or any person connected with them (2022: £Nil). No travelling expenses were paid to Trustees (2022: £Nil).

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

10 FIXED ASSETS

	Leasehold Property Improvements	Fixtures and Equipment	Computer Software	Total
	£	£	£	£
Cost				
At 1 April 2022	1,436,787	1,966,453	152,407	3,555,647
Additions	34,108	35,461	-	69,569
Disposals	(548,767)	(739,974)	(25,614)	(1,314,355)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	922,128	1,261,940	126,793	2,310,861
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2022	757,273	1,508,448	37,470	2,303,191
Charge for year	122,790	103,305	15,490	241,585
Eliminated on disposal	(255,664)	(685,957)	(11,389)	(953,010)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	624,399	925,796	41,571	1,591,766
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 March 2023	297,729	336,144	85,222	719,095
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	679,514	458,005	114,937	1,252,456
	<hr/>	<hr/>	<hr/>	<hr/>

Included within fixed assets are assets with a net book value of £105,835 (2022: £188,641) relating to assets held under finance lease agreements. The depreciation charged in the period in respect of assets held under finance lease agreements amounted to £16,596 (2022: £27,591).

11 INVESTMENTS

	Total £
Cost	
At 1 April 2022 and at 31 March 2023	<hr/> 1 <hr/>
Net Book Value	
At 31 March 2023	<hr/> 1 <hr/>
At 31 March 2022	<hr/> 1 <hr/>

1610 Limited owns 100% of the subsidiary Incedo Limited. The company's principal activity is to carry out trading activities on behalf of 1610 Limited.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

12 STOCKS

	2023	2022
	£	£
Trading stock	7,289	15,679
	<hr/>	<hr/>
	7,289	15,679
	<hr/>	<hr/>

13 DEBTORS

	2023	2022
	£	£
Trade debtors	28,832	116,750
Other debtors	29,280	33,888
Prepayments	35,409	61,443
Accrued income	-	239,075
Amount owed by subsidiary undertaking	1,202	8,148
	<hr/>	<hr/>
	94,723	459,304
	<hr/>	<hr/>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	82,845	185,497
Social security and other taxes	38,400	55,090
Finance leases	9,509	65,292
Other creditors	6,794	45,642
Bank loans	9,000	9,586
Accruals	170,089	236,249
Deferred income	2,986	53,551
	<hr/>	<hr/>
	319,623	650,907
	<hr/>	<hr/>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Finance leases	-	9,509
Bank loans	28,271	37,271
	<hr/>	<hr/>
	28,271	46,780
	<hr/>	<hr/>

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Bank loans		
Amounts falling due within one year	<hr/> 9,000	<hr/> 9,586
Amounts falling due between one and two years	<hr/> 10,906	<hr/> 9,829
Amounts falling due between two and five years	<hr/> 17,365	<hr/> 27,442

16 SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Creditors: amounts falling due within one year:		
Finance leases	9,509	65,292
Bank loans	9,000	9,586
Creditors: amounts falling due after one year:		
Finance leases	-	9,509
Bank loans	28,271	37,271
	<hr/>	<hr/>
	46,780	121,658
	<hr/>	<hr/>

The finance leases are secured on the related leased assets.

The bank loans are secured by a fixed charge over all plant and machinery and goodwill, owned now or in the future and a floating charge over all other property assets and rights of the company. The loan was drawn down in November 2020 under the provisions of the Coronavirus Business Interruption Loan Scheme (CBILS). The loan carries interest at the rate of 2.5% and, following a 12 month interest and capital repayment

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

holiday, the loan will be fully repaid by November 2026.

17 CONTINGENT LIABILITY

The Charity had guaranteed its payment obligations under a contract for the management of leisure facilities by arranging performance bonds for £102,501 and £80,171 which expire in January 2024 and £29,000 and £100,000 which expired in October 2023.

18 LEASE COMMITMENTS

Hire purchase contracts

Minimum lease payments fall due as follows:

	2023	2022
	£	£
Net obligations repayable:		
Within one year	9,509	65,293
Between one and five years	-	9,509
	<hr/>	<hr/>
	9,509	74,802
	<hr/>	<hr/>

Other operating leases

	2023	2022
	£	£
Non-Cancellable operating leases		
Minimum payments under the leases are as follows:-		
Leases expiring:		
Within one year	2,738	2,738
Between one and five years	719	3,457
	<hr/>	<hr/>
	3,457	6,195
	<hr/>	<hr/>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long term Liabilities	Pension Liability	Total
	£	£	£	£	£
Restricted Income Funds					
GAP funding	-	1,302	-	-	1,302
Total Restricted Funds	-	1,302	-	-	1,302
Unrestricted Income Funds					
Trinity sinking fund - designated	-	24,006	-	-	24,006
Unrestricted income funds	719,096	187,631	(28,271)	-	878,456
Pension reserve	-	-	-	21,000	21,000
Total Unrestricted Funds	719,096	211,637	(28,271)	21,000	923,462
Total Funds	719,096	212,939	(28,271)	21,000	924,764

Purposes of Restricted Funds

- GAP funding is for supporting the programme of play schemes in Glastonbury. The money was for purchasing and maintaining equipment to benefit the children.
- Torridge District Council provided funds to improve the facilities at Torridge.
- South Molton provided funds to cover any deficit caused by running this facility. The site closed during the year, the transfer to unrestricted funds represents the proceeds on disposal of assets.
- ATP lights represents grant funding towards sports lighting. The funds were spent in full on the purchase of capital equipment fulfilling the restrictions therefore the balance has been transferred to unrestricted funds.

Purposes of Designated Funds

The Trustees have set aside the following designated fund:

- The Trinity sinking fund – which represents fund set aside in respect of future facilities management services of the Trinity centre.
- The Pension reserve relates to the defined benefit pension scheme as detailed in note 21.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

20 MOVEMENT IN FUNDS

	Balance as at 1 April 2022	Income	Expenditure	Actuarial Gain	Transfers	Balance as at 31 March 2023
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
South Molton	131,132	-	(81,132)	-	(50,000)	-
Torridge	556	-	(556)	-	-	-
ATP lights	-	17,952	-	-	(17,952)	-
Total Restricted Funds	132,990	17,952	(81,688)	-	(67,952)	1,302
Trinity sinking fund - designated	23,271	-	-	-	735	24,006
Unrestricted income funds	1,632,997	3,279,631	(4,101,389)	-	67,217	878,456
Pension reserve	(528,000)	-	-	549,000	-	21,000
Total Unrestricted Funds	1,128,268	3,279,631	(4,101,389)	549,000	67,952	923,462
Total Funds	1,261,258	3,297,583	(4,183,077)	549,000	-	924,764

21 EMPLOYEE BENEFIT OBLIGATIONS

West Dorset District Council scheme

During the year ended 31 March 2013, 1610 Limited agreed a contract to provide leisure services for West Dorset District Council. Part of this contract included the transfer of employees and their associated pension benefit obligations. As part of the transfer agreement the defined pension obligations in respect of transferred employees became the responsibility of 1610 Limited from 1 October 2012. These pension scheme obligations at the balance sheet date showed a surplus of £21,000 (2022: Deficit of £528,000).

The employer contributions expected to be paid to WDCC scheme during the period ending 31 March 2024 are £3,000.

The assets of this defined benefit scheme are held separately from those of the company and comprise segregated funds of the Dorset County Council Pension Fund in respect of pension benefits provided by the Local Government Pension Scheme (LGPS) to employees of 1610 Limited. The LGPS is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2014. It is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. The scheme is now closed to new members.

Contributions are set every three years as a result of the actuarial valuation of the Funds required by the Regulations. The most recent full valuation was 31 March 2019. The next actuarial valuation of the Funds will be carried out as at 31 March 2022 and will set contributions for the period from 1 October 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The company does not operate any unfunded schemes.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

21 EMPLOYEE BENEFIT OBLIGATIONS – continued

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

	2023	2022
	Total	Total
	£	£
Defined benefit scheme:		
Current service cost	10,000	10,000
	<hr/>	<hr/>
Total charge in operating profit	10,000	10,000
Defined benefit scheme:		
Net interest expense	13,000	13,000
Admin expenses	1,000	1,000
	<hr/>	<hr/>
Total charge	24,000	24,000
	<hr/>	<hr/>

Defined Benefit Pension Plans

	2023	2022
	Total	Total
	£	£
Present value of funded obligations	(695,000)	(1,307,000)
Fair value of plan assets	716,000	779,000
	<hr/>	<hr/>
Pension fund assets/(liabilities)	21,000	(528,000)
	<hr/>	<hr/>

The principal actuarial assumptions at the balance sheet date were:

	2023	2022
Discount rate	4.8%	2.6%
Future salary increases	2.9%	3.1%
Future pension increases	2.9%	3.1%
Consumer Price Index price increase	2.9%	3.1%

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

21 EMPLOYEE BENEFIT OBLIGATIONS - continued

Mortality

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 90% for males and 100% for females. These base tables are then projected using the CMI 2020 Model, with an allowance for future longevity improvement of 1.25% per annum, smoothing parameter of 7.5%, an initial addition parameter of 0.5%pa and a 2020 weighing of 25%.The 2020 weight parameter reflects the exceptional mortality due to the coronavirus pandemic. The effect on assumed life expectancies is demonstrated in the table below.

The average life expectancy in years for a member from the age of 65 are:

		2023	2022
		(years)	(years)
Retiring today:	Males	22.2	23.1
	Females	24.2	24.7
Retiring in 20 years	Males	23.5	24.4
	Females	25.6	26.1

Demographic / statistical assumptions:

A set of demographic assumptions that are consistent with those used for the most recent fund valuation as at March 2023 were adopted.

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£000	£000	£000
At 1 April 2022	779	(1,307)	(528)
Benefits paid	(7)	7	-
Employer contributions	3	-	3
Contributions by scheme participants	1	(1)	-
Current service cost	-	(10)	(10)
Interest income/(expense)	20	(33)	(13)
Admin Expenses	(1)	-	(1)
<u>Remeasurement gains/(losses)</u>			
Actuarial gains	(24)	649	625
Return on plan assets excluding interest income	(55)	-	(55)
At 31 March 2023	716	(695)	21

21 EMPLOYEE BENEFIT OBLIGATIONS – continued

The fair value of the major categories of scheme assets are as follows:

	Defined Benefit Pension Plans-Total	
	2023	2022
	£000	£000
Equities	446	414
Liability driven investment	4	97
Other bonds	47	39
Diversified Growth Fund	48	51
Infrastructure	54	53
Multi asset credit	47	36
Property	58	73
Cash	12	16
	<hr/>	<hr/>
	716	779
	<hr/>	<hr/>

The return on plan assets was:

	2023	2022
	£000	£000
Interest income	20	15
Return on plan assets less interest income	<hr/> (55)	<hr/> 57
Total return on plan assets	<hr/> (35)	<hr/> 72
	<hr/>	<hr/>

22 RELATED PARTY TRANSACTIONS

During the year the company paid for goods and services on behalf of Incedo Limited, a wholly owned subsidiary to the value of £2,869 (2022: £20,730). A balance of £1,202 (2022: £8,148) was owing from Incedo Limited at the balance sheet date.

The key management of the charity comprise the Chief Executive Officer and the Senior Leadership Team. The total employee benefits of the key management personnel were for the year £517,715 (2022: £299,128).

23 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no authorised or issued share capital. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

24 ULTIMATE CONTROLLING PARTY

As a company limited by guarantee, the company is not under the control of any one individual. All decisions are taken by the Board of Directors who are the members of the company.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

25 COMPARATIVE INFORMATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
INCOME FROM			
Donations and legacies	225,286	-	225,286
Charitable activities	3,990,452	91,320	4,081,772
Other trading income	76,190	-	76,190
Investments	64	-	64
	<hr/>	<hr/>	<hr/>
Total	4,291,992	91,320	4,383,312
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON			
Raising funds	55,062	-	55,062
Charitable activities	4,027,758	105,032	4,132,790
	<hr/>	<hr/>	<hr/>
Total	4,082,820	105,032	4,187,852
	<hr/>	<hr/>	<hr/>
Net income	209,172	(13,712)	195,460
Remeasurement of defined benefit pension schemes	146,000	-	146,000
	<hr/>	<hr/>	<hr/>
Net movement in funds	355,172	(13,712)	341,460
	<hr/>	<hr/>	<hr/>
Total funds brought forward	773,096	146,702	919,798
	<hr/>	<hr/>	<hr/>
Total funds carried forward	1,128,268	132,990	1,261,258
	<hr/>	<hr/>	<hr/>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

25 COMPARATIVE INFORMATION (Continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 MARCH 2022

	Tangible Fixed Assets	Net Current Assets	Long Term Liabilities	Pension Liability	Total
	£	£	£	£	£
Restricted Income Funds					
GAP Funding	-	1,302	-	-	1,302
Torrige	556	-	-	-	556
South Molton	131,132	-	-	-	131,132
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	131,688	1,302	-	-	132,990
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted Income Funds					
Trinity sinking fund – designated	-	23,271	-	-	23,271
Unrestricted income funds	1,120,769	559,008	(46,780)	-	1,632,997
Pension reserve	-	-	-	(528,000)	(528,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	1,120,769	582,279	(46,780)	(528,000)	1,128,268
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	1,252,457	583,581	(46,780)	(528,000)	1,261,258
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2023

25 COMPARATIVE INFORMATION (Continued)

MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2022

	Balance as at 1 April 2021	Income	Expenditure	Actuarial Gain	Transfers	Balance as at 31 March 2022
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
South Molton	136,833	-	(5,701)	-	-	131,132
Torridge	8,567	-	(8,011)	-	-	556
Leisure recovery fund	-	91,320	(91,320)	-	-	-
Total Restricted Funds	146,702	91,320	(105,032)	-	-	132,990
Trinity sinking fund - designated	23,271	-	-	-	-	23,271
Unrestricted income funds	1,423,825	4,291,992	(4,082,820)	-	-	1,632,997
Pension reserve	(674,000)	-	-	-	146,000	(528,000)
Total Unrestricted Funds	773,096	4,291,992	(4,082,820)	-	146,000	1,128,268
Total Funds	919,798	4,383,312	(4,187,852)	-	146,000	1,261,258

1610 LIMITED

England & Wales - Charity number 1130010

Accounts

1610 Limited

**Report of the Trustees, Strategic Report and
Audited Financial Statements
For the Year Ended 31 March 2022**

**Registered Charity Number 1130010
Registered Company Number 06727055 (England and Wales)**



1610 Limited
Contents of the Financial Statements
For the Year Ended 31 March 2022

Reference and Administrative Information	2
Trustees' Annual Report (Incorporating the Strategic Report)	3
Report of the Independent Auditors	15
Statement of Financial Activities (Incorporating the Income and Expenditure Account)	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	23

1610 Limited
Reference and Administrative Information
For the Year Ended 31 March 2022

TRUSTEES: Mr M Winlow
Mr J Sladden (resigned 26 July 2022)
Mr R Burt

SECRETARY: Mr P Fox

REGISTERED OFFICE: Trinity Sports & Leisure
Chilton Street
Bridgwater
Somerset
TA6 3JA

**REGISTERED COMPANY
NUMBER:** 06727055 (England and Wales)

**REGISTERED CHARITY
NUMBER:** 1130010

AUDITORS: A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

BANKERS: NatWest
26 – 27 Fore Street
Taunton
Somerset
TA1 1JQ

SOLICITORS: The Legal Director
107 Cheapside
London
EC2V 6DN

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

The Trustees, who are also Directors for the purposes of company law, present their annual report and their strategic report with the financial statements for the year ended 31 March 2022.

Introduction from our CEO; Tim Nightingale

Welcome to the 1610 Limited 2021/22 Trustee report.

The 2021/22 1610 Leisure Trust year proved to be equally as challenging as the previous COVID dominated year.

On reflection, it is without doubt that the COVID pandemic, the associated illness and successive lockdowns dramatically changed the landscape of the UK in terms of leisure business operations. The leisure sector has experienced the full pressures of social change impacting on the supply side and demand side of the Trust.

Post COVID, community and personal needs have altered. These have been re-shaped, with the public now looking at other forms of health and wellbeing provision. These include the natural environment and the wider use of on-line material available, on demand, in your home. Key assets, such as swimming pools and specialist sports spaces were under higher demand. It is evident that these spaces are unique and irreplaceable and as such their importance to the 1610 Trust business has grown.

The supply side has seen ever present pressures on the difficulties of securing key business materials, such as pool chemicals. The COVID impact on supply chains has led to short supply and increased costs. In terms of workforce issues 1610, as have many UK businesses, has found recruitment and retention of staff to be a huge challenge. Particularly in areas that need ready and qualified staff.

Against this backdrop 1610 Leisure Trust set out to re-establish and re-shape its charitable business. For the Trust Board and the senior management team the business focus has had to be maintaining viability and solvency. Key to the recovery and future success has been the requirement to review and re-define how 1610 Limited will move forward as a Trust and a charitable enterprise.

As the threats of COVID diminished, February 2022 ushered in a new potential business-devastating external pressure. The Russia / Ukraine conflict has generated a massive short-to-medium term threat to the leisure sector and wider public. The staggering increase in energy costs in the UK threatens to overwhelm the operation of 'energy hungry' assets such as swimming pools. Aligned to this the parallel threat of recession may impact on the disposable income of the public and therefore has the potential to reduce demand for leisure, health and wellbeing services and facilities.

BREXIT, COVID and Ukraine / Russia war combined to create a highly toxic climate in which to try and operate a charitable company. 1610 Leisure Trust does not stand alone in facing a highly unstable world and fluctuating business markets. There have been exceedingly difficult and tough business decisions to make in 2021/22. It is likely that this environment will remain for the near future.

The Trust Board and Senior Leadership Team (SLT) do wish to take this opportunity to acknowledge, thank and recognise all the people working for or supporting 1610 Leisure Trust in 2021/22.

Structure, Governance and Management

Governing Document

1610 Limited is a charitable company limited by guarantee, incorporated on 17 October 2008, and registered as a charity on 5 June 2009. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

Principal Activities

In 2021/22 the Trust operated seven leisure centres on behalf of local Councils in the Southwest UK. Together with 1610 owned sites these facilities provide community access to sporting / leisure / fitness services ensuring local rural facilities are available to everyone and the promotion of a fit and healthy lifestyle. Complementing the leisure contracts are four 1610 owned facilities and services that operate sports development, health and wellbeing programmes.

Organisational Structure

1610 had 3 Board members in 2021/22. The Board normally meets four times per annum. During the COVID 19 Pandemic the Trust Board has been convened on a regular basis, through Zoom meetings, to update Trustees on the company position and seek approval for action.

The Board is serviced by a Company Secretary who is also the 1610 Legal Advisor. Specialist advisers to 1610 e.g., Accountants / Legal attend Board meetings to advise Trustees as required.

The Board delegates responsibility for daily operations to the Chief Executive and the Senior Leadership Team (SLT). This team has responsibility for the delivery of contractual outcomes, service specifications and to agree on Key Performance Indicators. Further pathways of delegation are in place from the CEO / SLT through to the wider management Team to operate the Trust business units across multiple venues in the Southwest.

Operational standards are defined through nationally recognised quality leisure management systems/frameworks that comprehensively document activities and processes for staff at all levels.

Recruitment and Appointment to the Trust Board

Directors of the company are also charity Trustees for the purposes of charity law. They are elected to serve for 3 years retiring on the third anniversary of their appointment, after which they may be re-elected for a further 3 years. Potential new Trustees are identified through networking and recommendation; it is important to us that Trustees understand our ethos from the outset and are passionate about what we do.

1610 has faced extraordinarily complex and difficult challenges during the past 18 months. In 2019 the Trust Board agreed to seek a merger or partnership with a 'third party' charitable organisation. Recruitment of new Trustees was put on hold as this option was explored. The COVID pandemic and economic uncertainty has not created an environment to successfully recruit new Board members. This is a difficulty that is acknowledged across the UK charitable sector.

Post pandemic, it is evident that the Board and the Trust business needs to be restructured and re-shaped to reflect its reduced scale and size.

New Trustee recruitment will be a priority for 2022/23.

Trustee Induction and Training

New Trustees are invited to meet the Senior Leadership Team and Board members and are given a short induction at Trinity Sport and Leisure centre HQ to advise them on the operations, activities, and key personnel within the Trust. These sessions are led by the Chief Executive and other key senior staff and include:

- A welcome pack: including materials related to the Trust operations and governance (including the financial accounts), legal status and guidance from the Charity Commission on the responsibilities, obligations, and liabilities of becoming a Trustee.
- Trustees are offered the chance to shadow a Trust Board meeting
- New Trustees are given an opportunity to visit one of the main Trust leisure operations to familiarise themselves with the core work and to meet Trust staff.
- New Trustees are also encouraged to contact the Chair of the Trust, a fellow Trustee, or the Company Secretary to gain a further insight into the day- to- day business and ethos of the organisation.
- Trustees are regularly updated on training opportunities at Board sessions including key functions around safeguarding and health and safety.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

- All Trustees are given an induction as part of the Trust health and safety policy. Core training on health/safety and safeguarding is delivered to the Board on an annual basis or as and when significant changes to policy or UK Law dictate the need for a refresh.

The recruitment process and associated documents are due to be updated in 2022/23.

Our Aims and Objectives

1610 Trust purposes are defined in the objects set out in the company's Memorandum of Association and can be summarised as follows:

- The advancement and support of education, cultural services, and other related provision through direct management of facilities or related activity programmes.
- The delivery and management of leisure, recreation, and sports facilities particularly with a focus on provision for 'hard to reach' groups and key target groups that have barriers to participation.
- The promotion and delivery of health and wellbeing programmes with an emphasis on sport and physical activity.
- The advancement of physical education and sport.
- Other charitable proposals that have public benefit which are consistent with the core objectives of the trust.

1610 Trust seeks to deliver high quality services to Somerset and wider Southwest communities. The core aims of our work is to develop 1610 facilities and programmes to improve health, sporting / leisure abilities and participation; contribute to raising the quality of life for the general community and supporting schools in their development of young people. Throughout this work, Trustees recognise that there is a need to ensure that the Trust observes Charity Commission guidance on public benefit to ensure alignment with activities and the core Trust aims and objectives.

How activities deliver public benefit

1610 serves a rural population in Southwest England through a network of leisure facilities. Four of the sites are dual-use in nature and this model maximises the use of leisure assets on school sites. This model often provides isolated or small rural communities with access to local sports, health, and learning facilities / programmes where there would be insufficient volumes of people to make dedicated leisure centres viable.

Through this network of centres, 1610 delivers a diverse programme, often being asked to target hard to reach groups, those that are financially or social excluded, isolated communities or to work in areas with significant deprivation issues. 1610 works with groups and individuals creating many examples of life changing experiences. They are often achieved through using leisure / sport / health and fitness as a catalyst for altering the direction of a person's life or by providing new opportunities for a whole community.

Strategic Report
Achievement and Performance

Managing delivery of our aims

In normal operating years Senior Managers and the Trustees review the Trust aims, objectives and delivery on an annual basis against the yearly business plan that includes contractual targets and the annual budgets. Each department of the Trust produces annual work stream plans to enable successful programme delivery and overall development of the Trust business.

Through the UK Growth Accelerator Programme, 1610 fully embedded the Vision Orbit (VO) strategic business tool to review and development organisations performance. The annual VO, Vital Few and Single Page Plan form the basis of business planning within the company. Staff members at every level of the organisation use this tool to align activities.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

During the 2021/22 year the Trust managed a series of public sector service contracts in Southwest England:

- A ten-year leisure contract with Torridge District Council to operate four leisure centres in North Devon. TDC confirmed in 2021/22 that it will be moving this contract into an 'arm's length' Council led initiative from April 2022.
- A ten-year contract with Futures for Somerset, to operate two dual use leisure facilities as part of the PFI Building Schools for the Future initiative in Bridgwater, Somerset. In 2020 the Futures for Somerset leisure contract was extended for a further five years to end in September 2025.
- A ten-year contract with Dorset Council to operate the £8.5m Dorchester Leisure Centre in Dorchester. Dorset Council has proposed to extend their contract for the operation for Dorchester Leisure Centre beyond October 2022 – to October 2024.

The status of each contract is set out in the key activities section below. Each contract has a comprehensive performance framework that is monitored quarterly / annually by the Senior Leadership Team and the various Council contract commissioning bodies.

What sets 1610 apart from other fitness/leisure providers is the changing role of the Trust – it is much more than just management of leisure centres. Since 2012 the Trust has actively pursued a wider community role, by increasing the choice of activities - from healthy living initiatives, adult learning programmes to workforce development and training for the leisure industry. Health and wellbeing are however the platform and common denominator to the activities, and the reason 1610 has an enormous impact on people's lives.

Key KPIs for the Trust are:

- Number of people attending our sites.
- Meeting fitness standards.
- Number of customer complaints, linked to customer satisfaction.
- Health & Wellbeing attendances.
- Number of effective community and club partnerships.
- Number of children enrolled on Swim Programmes.
- Number of Trust fitness members.

The Focus of Work 2021/22

Financial Risk Management / Business Stability

COVID 19 in the UK continued to impact on the Trust into 2021/22. Emergence from COVID legislation was in July 2021. The Trust Business plan was simplistic in that the key aim was to resurrect the company, tackling significant risk and financial pressures:

- In the early part of the year national 'lockdowns,' social distancing and various COVID requirements limited 1610 site operations and population movement.
- Increased operating costs to enable enhanced cleaning and sanitisation of entire facilities.
- Staff sickness increased through COVID infection.
- Managing key changes to HR practices linked to the newly introduced Furlough Scheme launched in May 2020.

The major focus throughout the 2021/22 year for the Trustees, SLT and staff teams of the 1610 was stabilising and recovering the business amid the unique chaos created by the COVID pandemic.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

Key activities 2021/22

- **To obtain 80% of Business back post COVID**
The aim to recover business to 80% had limited success. Swimming programmes for children continued to boom with the latent demand created by COVID taking actual performance above 100% compared to the last full year.
Only two sites achieved 80% of fitness membership returns. The impact of COVID and changing habits are key factors. Group Exercise also struggled to return to past levels.
- **To re-launch & re-package 1610 Health and Wellbeing Offer**
The community need for increased mental resilience and mental health issues has been at the heart of the 1610 work. 1610 has sought to upskill staff through externally funded training programmes to deliver specialist wellbeing workshops and events. Whilst traditional group exercise programmes have not returned the growth in Pilates, yoga, Tai Chi, and meditation classes reflects the growing demand for mental resilience help.
New activities have been introduced to offer obesity and diabetes control education programmes.
- **To begin a Digital Transformational Strategy**
The Trust has continued work to increase business efficiency, reduce costs, and improve customer engagement through digital concepts. In particular, the Trust has pursued the re-positioning of back-office systems to Cloud based models.
- **Position all staff to embody the 1610 DNA**
As with all sectors in the UK, recruitment and retention of staff has been a very problematic issue for 1610 Ltd. The lack of suitable qualified staff for tasks such as lifeguarding, swim teaching and sports coaching has impacted on the ability to recover the business. It has also increased costs as refresher or new training is required to upskill existing and new staff.
The Trust is exploring the re-launch of the apprenticeship model.
In house training for all levels of staff has been an extensive activity across the year to try and re-establish the ideals and core philosophies of the Trust.
- **Position 1610 as an environmentally conscious business**
The global drive to switch to become an eco-friendly business is an ongoing aspiration. In the year 1610:
 1. Worked on the reduction of single use plastics across the business
 2. Removed plastic shoe covers for all pool environments
 3. Reduced staff travel by 65%, through digital communications
 4. Rolled out the use of electric and hybrid vehicles to replace diesel vehicles
 5. Commissioned Lean Energy to review the 1610 sites and recommend energy savings approaches to site operations looking to move swimming pools to carbon neutral energy solution and plant
- **Evolve all 1610 own facilities to be profitable**
Throughout 2021/22 1610 has been working to reduce the reliance on COVID government grants and support funding. The challenge to recover the business to 80%+ of pre COVID levels was at the heart of this approach.
1610 ended 2021/22 with a business surplus on trading. In reality much of this success was underpinned by the external financial support that the Trust secured. The larger 1610 sites did return to profitability in the year. However, the smaller facilities based in more rural communities have struggled to recover sufficient business to be viable.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

- **HR**

1610 continued to review the workforce in 21/22 to optimise staffing in response to scarcity of fresh staff and financial controls. At the beginning of the COVID 19 pandemic 1610 employed 398 staff, it reduced the headcount of the company to approximately two hundred people by March 2021. By the end of 2021/22, the 1610 headcount had fallen to 185 employees.

Investment Policy

Most of the funds the Trust generates on an annual basis is committed to annual operations. It is unlikely, in the short or medium term, that there will be significant funds generated for long term investment. The Board is keen to make provision for the development and growth of the reserve fund however, it is important that the Trust uses its cash to develop business and support the agreed charitable outcomes. Cash in hand is held in a special interest-bearing account with NatWest. The bank offers a basic treasury service to maximise the investment of these funds whilst covering day to day operational business needs.

Reserves Policy

The Trustees recognise the requirement to establish a reserves policy; in setting the reserves policy the Trustees have considered the need to manage resources for the benefit of the charity's aims and objectives and to maintain financial stability, considering the risks and potential impact in the current economic environment.

The Trust Board review the reserve policy annually and has a policy of holding a minimum Reserve of £450,000. As income covers operational costs the need to maintain reserves is based on any unforeseen call on funds, and for future capital and operational expenditure. This has been determined based on the Trust Risk Register; identifying the fiscal impact of these risks being realised, and future of the Trust. This level of reserves is acceptable as it meets the minimum reserves policy and allows the Trust to set aside resources to meet the requirements of the National Living Wage and for future investment projects.

For the first time in 1610 operating history the Reserves policy was tested by COVID and the economic conditions. The Trust had total reserves beyond the minimum level and levels of cash reserves never fell below £300,000 in the year.

Key Management Remuneration and Performance Criteria

Remuneration for all job roles is evaluated according to the role and level of responsibility; and this applies to members of SLT (Senior Leadership Team), and the CEO. CEO remuneration is separately reviewed, set by the Trustees and agreed annually by the Board. SLT and the CEO have clear objectives both in their area and at a strategic level; this is incorporated into the Trust's Vision Orbit Business Plan. These objectives are reviewed on a regular basis both at SLT level and at regular "job chats," which are the equivalent to appraisals. The CEO reports to the Board on the objectives together with performance of those objectives.

No general pay increases were awarded beyond the legal requirements in 2021/22. The impact of Living wage remains a major annual financial pressure for the Trust. Maintaining pay differentials is a difficult balancing act given the need to compete within an increasingly price aggressive sector.

1610 has faced significant pressure in pay due to the changes in the employment market and workers moving across sectors for higher paid employment. Given the current financial position of 1610 there is little opportunity to increase pay beyond statutory awards.

Employee Information

1610 is dependent on the skill and enthusiasm of its employees to achieve its business and charitable objectives. The Trustees are therefore committed to effective employee communication and equal opportunities. The selection, training development and promotion policies ensure equal opportunities for all employees regardless of gender, marital status, race, age, or disability. Internal communications are designed to ensure that employees are well informed about the activities of the charity and staff attitudes are researched so that the Senior Leadership Team can respond positively to the ideas and needs of employees.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

The use of Workplace, a Facebook product for internal business communications, has had a positive impact on staff engagement. Eighty percent of staff have active accounts, and this tool has enabled all staff, casual and remote based people, to access 1610 information and communications. During 2021/22 1610 removed most staff e mail facilities and now works entirely on a Workplace communications model.

The Trust continues to 'buy-in' external support for HR matters through Mentor HR services.

Recruitment and retention are significant pressures for all UK business sectors post COVID. For 1610 Ltd this had been one of the top five risk areas throughout the year. In 2021/22 There has been an increasing reliance on more part time and zero hrs' roles. The ability to flex staff teams as the Trust works to bring sites back to 100% operations post the pandemic has been an essential tool in the recovery of the business.

Staffing is the major costs in leisure sector companies and 1610 has set an agenda to aspire to have fewer, better paid staff in the future. The nature of employment in this sector is also changing. More staff are moving to self-employed roles such as PT trainers / Instructors. Given the financial pressures, the Trust management Team has also been focussing on ensuring that the optimal management Teams are deployed at sites. The Trust is reviewing the Central Management Team, as this overhead is potentially a substantial financial risk for the business.

Staffing levels at the Trust continue to reduce throughout the year. In April 2021, 1610, employed two hundred staff, at year end the Trust payroll had reduced to 178 people. This trend will continue into 22/23 as the trust streamlines operations and exits non-profitable sites.

Gender Pay Gap reporting is no longer a requirement for 1610, as it does not meet the 250-employee threshold.

Financial Review

Full financial details are in the audited accounts.

The headline financial information for 2021/22:

- As 1610 business returned over the year the company turnover increased from £3,502,797 in 20/21 to £4,383,312 year end March 2022.
- The most notable change in income was the return of income generated from the business vs grants / Government support.
- Expenditure also returned to more normal profiles. However, the Trust experienced higher than expected property costs linked to the re-opening of sites and associated plant failures.
- Expenditure was controlled via the various mechanisms set out in the strategic report.
- The Trust continued to pay down creditor liabilities and is not seeking to increase borrowing at this time. The Trust Board still aims to reduce commercial borrowing to £0 by the end of 2022/23
- The Trust began repayments on the COVID Bounce Back Loan in Dec 2021.
- The Trust generated a surplus for the 21/22 year of £195,460 (2021: loss of £227,981).
- Cash at the bank returned to a much healthier position up to £759,505 at the end of 20/21 compared to £354,525 in 20/21
- The Trust LGPS pension liability in the Dorset leisure contract also showed positive movement for the year, down by £146,000 at the end of 21/22. The current pension liability is down to (£528,000) from (£674,000). It should be noted that this assessment is based on the annual actuarial assessment year-on-year. The underlying actuarial assessment of the 1610 Ltd LGPS liability projects the fund is in surplus when considering the contract in terms of a transfer to a new operator in an 'on-going contract' basis.
- As a result of the pandemic recovery the Trusts total reserves increased to £1,261,258 in 21/22 up from £919,798 in 2020/21. -net positive movement in funds up by £341,460.

1610 Ltd successfully negotiated the extreme financial challenges of the COVID pandemic to emerge in a much more stable and viable financial position. The coming 2022/23 year will present substantial financial pressures, which will play out in reduced disposable incomes and increased business costs.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

1610 Ltd successfully negotiated the extreme financial challenges of the COVID pandemic to emerge in a much more stable and viable financial position. The coming 2022/23 year will present substantial financial pressures, which will play out in reduced disposable incomes and increased business costs.

The ending of all Government financial support provided during COVID will challenge organisations that have not adjusted to the new economic environment.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will have sufficient funds to pay debts as and when they fall due and continue in operation for a period of at least twelve months from the date of authorisation of the financial statements.

As detailed in the post balance sheet events section of the Trustees' Report, the COVID 19 pandemic emerged after the budget year end. The resulting impact on the company's operations and measures taken by Government to contain the virus have negatively affected results in subsequent reporting periods.

Plans for Future Periods

2022/23

In normal years, the Trust prepares annual business plans and financial forecasts for the delivery of commissioned services and developmental work. Post COVID the business plans have been simplified as the core objective of the Trust has been to regain business and re-position the company and its resources

The 2022/23 Trust Plan set out:

1. As a minimum success measure 1610 to achieve a break even budget position in March 2023.
2. To set up a robust utility management system to help protect and manage the potential risks that will arise from the volatile and rising utility costs.
3. To position 1610 as an environmentally conscious and thoughtful business, reducing its carbon footprint.
4. To develop and train all 1610 staff to embody its core DNA and values through enhanced training, improved internal communication and identify key influencers in the business.
5. Develop 3-5 business development projects to support business growth and customer satisfaction.
6. Assess 1610's social value impact as a charity. Identifying key metrics to report to stakeholders highlighting the impact of charitable objectives.
7. Increase the Wellness membership base by 20% by March 2023
8. To rollout 1610 marketing strategy for each facility to enable budgets and business growth
9. To improve the quality of services and offer at every 1610 centre by setting out five quality measures.
10. Increase income and profitability through programme and product development

The key tasks for the Trust will be to continue the re-launch all sites with COVID safe environments to build customer confidence and aid their return to activity. There are new competitors that have emerged during lockdowns – online providers, outdoor activity and home gym solutions have all gained traction in the fitness market due to people being confined to home or the immediate locality

Financial viability remains paramount for the Trust. This will involve the switching from considerable external funding support back to growing and sustaining the usual 1610 business income streams.

To aid this transition 1610 has successfully helped Council partners to secure funding from the Sport England National Leisure Recovery Fund. These funds will be available to pump prime the return of activity programmes, extend opening hours, and subsidise activity to all time for customers to develop confidence to return to sites post Lockdown. This funding is scheduled to end in Sept 2022.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

Principal Risks and Uncertainties

A full review of the Business Risk Register takes place throughout the year; this is reviewed on a regular basis and the Board is presented with a Business Risk Improvement Plan at each Board meeting, together with any additional risks that are identified. The risk assessment covers all areas of the business including operational, financial, compliance, external and governance risks, particularly in the light of any new projects undertaken and changes to the political climate and local economies.

The current principal risks and uncertainties faced by the Trust are:

- The on-going impact of COVID 19 – and the potential for further lockdown closures
- Impact of the increase in energy cost linked to Ukraine / Russia War
- Recruitment and retention of staff
- Difficulty in recruiting new Trustees
- Further extension of existing 1610 public sector contracts
- Reliance on low margin activities.
- Major Plant failure at sites where 1610 has full repairing liabilities
- Growth of online leisure providers / Home fitness market / new outdoor leisure provision
- Loss of key management (Trustee/CEO/SLT)
- Failure of Duty of Care (Health & Safety and safeguarding)
- Increasing Pension liabilities with the Dorset LGPS
- Viability of smaller 1610 leisure sites and their resilience to return to profit post COVID pandemic
- Heightened safeguarding requirements impacting on operations on School based dual use sites

Systems and processes have been put in place to manage and mitigate the risks 1610 face.

- For health and safety and safeguarding, external consultants are used to assess operational performance, highlight risk management issues and actions needed and provide on-going training.
- All staff undergo formal training and regular updates and courses to ensure they understand their responsibilities regarding safeguarding. Recruitment processes are robust ensuring everyone follows due process, and all staff are Disclosure and Barring Service (DBS) cleared before they can commence employment with the Trust.
- The Trust uses QUEST, a national accredited quality assurance sports framework, to externally assess all aspects of operational performance - highlighting excellence and areas for improvements.
- These external processes support periodic reviews at Board level prompting adjustment to operations as risks change or new challenges arise.
- Mentor NatWest provide external HR support and advice.
- In 2021/22 1610 Ltd appointed Right Directions – a nation UK H/S provider – to audit all aspects of the Trust operations, provide refresher training for staff and produce a plan to ensure that the re-opened sites and services had a high-quality H/S system in place.

Robust and rigorous financial processes are in place to ensure performance is regularly reviewed on a daily / weekly and monthly level and corrective action taken quickly. This has been essential during the COVID pandemic.

Whilst significant reliance is placed on the CEO and SLT's skills; each has a dedicated team supporting them and no individual works in isolation, ensuring adequate cover can be put in place immediately, temporary cover could also be provided by recruiting external professionals, together with support from the Trustees.

At a more strategic level, legal and financial risks are identified and mitigated through our work with professional advisers and auditors.

1610 continually strives to improve their margins by developing their own branded products and reviewing work practices to ensure the Trust operates as efficiently as possible. 1610 remains flexible in its approach to ensure it can adapt to changes in legislation and contractual requests.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

Pool plant failure will always remain a risk that is difficult for 1610 to mitigate against, however we collaborate closely with our contractual partners to ensure the plant is maintained appropriately where it is our direct contractual responsibility to do so.

Risk management is a standing item on the monthly Senior Leadership Team agenda and quarterly Board agenda.

Financial Risk Management Objectives and Policies

The trustees are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate, and manage the key risks.

a) Price risk - The charity is exposed to price risk as a result of its operations. Due to the economic climate and new leisure budget operator competition the charity must sell and provide services at competitive price to maintain membership levels.

b) Credit risk – Due to the charity's activities, credit is very rarely given. Any credit extended to customers is subject to appropriate review and monitoring.

c) Liquidity risk – COVID 19 pandemic has made this the core focus of daily life. Trustees have regularly been updated on cash flow and financial risk. Support been requested by the Trust from financial advisors and commercial lenders to help manage the Trust business through the pandemic.

d) Cash flow risk - the CEO / Finance Team have provided the Board with quarterly updates on cashflow through the COVID pandemic period. In addition to updates when significant changes have occurred. Cashflow can be tracked daily via the Xero finance system. This data is available to all Trustees and senior staff daily.

e) Economic risk - The charity's performance is directly impacted by the economic environment. To manage this risk, the charity strives to deliver competitively priced products and services. The charity is actively concentrating on improving efficiency and reducing costs.

f) Credit Rating – the Trust is aware that it is essential to maintain a strong, positive financial profile. The Trust credit rating is reviewed periodically to monitor the health of the Trust finances.

Post balance Sheet Events - April 2022 onwards

- **Business Return**

1610 has seen substantial parts of business return since re-opening in April 2021. The key area of Swim programme has experienced up to 80% return of members within three months. Fitness membership return has been approximately 65% of business return within the first 3 months of full re-opening.

- **Cashflow**

The Trust cashflow position and cash reserves have been stabilised. Reserves are back at pre-COVID levels with approximately £750,000 available.

- **Workforce & Recruitment**

1610 is now operating with a workforce of 185 staff – down from 379 staff in May 2020. As with many UK businesses in the first 6 months of 2021/22 1610 has faced particularly challenging condition in the labour market. This has had a detrimental impact on the re-opening and re-growth of the business. 1610 fully exited the Furlough scheme at the end of June 2021. COVID related illness still presents business risks across all sites.

- **Financial Performance**

The Trust had been able to move back into profit during the first six months of re-opening and re-launching business activity in 2021/22. However, the Company was unable to set a positive budget for 2022/23, as the various support streams from Government were withdrawn as COVID eased. Longer

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

term forecasts for 2023/24 also indicated a further operating loss. The Board has faced unprecedented challenges to address the risks of operating in deficit.

- **Scaling back of 1610 Operations**

In June 2022, the Trust Board requested that the Trust Management Team undertake to either identify a potential partner for merger or initiate the orderly 'wind down' of the business. Given the financial position of the operation, it was evident that a partner would not readily be identifiable. It was agreed to reduce the Trust operations for the 2023/24 budget year down, to sites that were profitable. This will result in the closure of the loss making, smaller 1610 sites. It is intended to exit three facilities by the end of March 2023. This will include disposal of the 1610 Swimming Pool facility in South Molton, Devon.

- **Recruitment of new Trustees**

The loss of one of the three Trustees in July 2022 raised the importance of recruiting additional Trustees as quickly as possible. It is acknowledged that, nationally, this is an issue for all charitable bodies. A recruitment campaign is in place to increase the Board size to five members. The need to stabilise the finances of the business and secure the future of the Trust was recognised as being essential to achieving a successful recruitment campaign.

- **1610 Central Management re-organisation**

In October 2022, the Trust Board agreed a proposal to re-shape and reduce the Central Management Team. The reduction of sites in the business required a major review and slimming down of the central team personnel. The resultant changes to site operations and reduction in staff teams has enabled 1610 to forecast a surplus budget for 2023/24, securing the immediate future of the business. A new interim central management structure will be in place for the Trust from 1 January 2022. The Trust will undertake further analysis and recruitment to put in place a permanent management structure for April 2023.

- **Dorset Council Leisure Contract**

In October 2022, 1610 and Dorset Council agreed an initial six-month extension of the Operating contract for Dorchester Leisure centre – to 31 March 2023. The Council is seeking to offer a further 12-month extension to March 2024. This will be subject to commercial discussions on the potential commercial support available to offset the energy risk issues created by the ongoing Ukraine / Russia conflict.

- **Torrige District Council Leisure Contract**

The Council confirmed that it is intended to move their leisure operations in Torrige back to an 'inhouse' model at the end of the ten-year contract period. 1610 completed the transfer of assets back to the Council in March 2022. All matters linked to this contract were finalised in September 2022.

- **Financial Performance 2022/23**

Financial projections for the 2022/23 year set out a significant operating loss. This is accentuated by the redundancy costs required to reconfigure the business to become financially viable. Once restructuring of the management team and closure of loss-making sites is completed the Trust is scheduled to return to a profitable position.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2022

Trustees' Responsibility Statement

The Trustees, who are also Directors of 1610 Limited for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

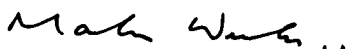
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the Trustees are aware:

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

Authorisation of Financial Statements, Trustees' Report and Strategic Report

The financial statements, which incorporate the Trustees' Report, the Trustees' Responsibilities, and the Strategic Report, were approved by the Board of Trustees on and signed on their behalf by:



M. Winlow
Trustee

15 DECEMBER 2022

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2022

Opinion

We have audited the financial statements of 1610 Limited (the 'Charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 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 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 entity's ability to continue as a going concern for a period of at least 12 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 relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' 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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2022

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 (incorporating the strategic report and the directors' report) prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the strategic and directors' 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2022

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 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:

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the charitable company operates
- the sector in which the charitable company operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

Laws and regulations which are considered to be significant to the charitable company include those relating to the requirements of financial reporting framework FRS102, the Companies Act 2006, the Charities Act 2011, UK tax legislation, employment law and health and safety. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on the operation of the charitable company.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified, and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the charitable company's procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- corroborating our enquiries through review of Board Minutes and correspondence.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2022

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.



Michael Cook BSc FCA (Senior Statutory Auditor)
For and on behalf of A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset TA1 2PX

19 December 2022

A C Mole is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1610 Limited
Statement of Financial Activities (incorporating the Income and Expenditure Account)
For the Year Ended 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Restated Total Funds 2021 £
INCOME FROM					
Donations and legacies	3	225,286	-	225,286	319,221
Charitable activities	4	3,990,452	91,320	4,081,772	3,170,415
Other trading activities	5	76,190	-	76,190	13,017
Investments		64	-	64	144
Total Income		4,291,992	91,320	4,383,312	3,502,797
EXPENDITURE ON					
Raising funds	5	55,062	-	55,062	16,727
Charitable activities	6	4,027,758	105,032	4,132,790	3,714,051
Total Expenditure		4,082,820	105,032	4,187,852	3,730,778
Net income/(expenditure)		209,172	(13,712)	195,460	(227,981)
Transfer between funds	20	-	-	-	-
Net income/(expenditure) after transfers		209,172	(13,712)	195,460	(227,981)
Other recognised gains/(losses)					
Remeasurement of defined benefit pension schemes	21	146,000	-	146,000	(336,000)
Net movement in funds		355,172	(13,712)	341,460	(563,981)
Total funds brought forward		773,096	146,702	919,798	1,483,779
Total funds carried forward	20	1,128,268	132,990	1,261,258	919,798

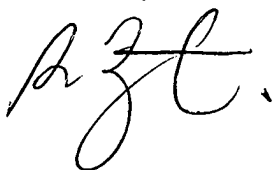
The results for the period derive from continuing activities and there are no gains or losses other than those shown above.

The notes form part of these financial statements.

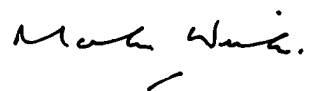
1610 Limited
Balance Sheet (registered no: 06727055)
As at 31 March 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	10		1,252,456		1,503,620
Investments	11		<u>1</u>		<u>1</u>
			1,252,457		1,503,621
CURRENT ASSETS					
Stocks	12	15,679		20,784	
Debtors	13	459,304		563,829	
Cash at bank		<u>759,505</u>		<u>354,525</u>	
		1,234,488		939,138	
CREDITORS					
Amounts falling due within one year	14	<u>(650,907)</u>		<u>(689,548)</u>	
NET ASSETS LESS CURRENT LIABILITIES			583,581		249,590
CREDITORS					
Amounts falling due after more than one year	15		(46,780)		(159,413)
PENSION LIABILITY	21		(528,000)		(674,000)
NET ASSETS			<u>1,261,258</u>		<u>919,798</u>
CAPITAL AND RESERVES					
Unrestricted income funds	19		1,104,997		749,825
Designated funds	19		<u>23,271</u>		<u>23,271</u>
Total unrestricted funds			1,128,268		773,096
Restricted funds	19		132,990		146,702
Total Reserves			<u>1,261,258</u>		<u>919,798</u>

The financial statements were approved by the Board of Directors on ~~15 December~~ 2022 and were signed on their behalf by:



R Burt
 TRUSTEE



M Winlow
 TRUSTEE

The notes form part of these financial statements.

1610 Limited
Statement of Cashflows
For the Year Ended 31 March 2022

		2022	2021
		£	£
	Note		
Cash flows from operating activities			
Net cash generated by operating activities	1	<u>542,299</u>	<u>128,742</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(71,077)	(21,035)
Sale of tangible fixed assets		24,569	20,897
Interest received		64	144
Net cash (used in)/generated by investing activities		<u>(46,444)</u>	<u>6</u>
Cash flows from financing activities			
Loan repayments		(8,985)	(107,204)
Hire purchase repayments		(81,890)	(127,171)
Cash inflows from new borrowing		<u>-</u>	<u>50,000</u>
Net cash (used in) financing activities		<u>(90,875)</u>	<u>(184,375)</u>
Increase/(Decrease) in cash and cash equivalents		404,980	(55,627)
Cash and cash equivalents at beginning of year	2	354,525	410,152
Cash and cash equivalents at end of year	2	<u>759,505</u>	<u>354,525</u>

The notes form part of these financial statements.

1610 Limited
Notes to the Statement of Cash Flows
For the Year Ended 31 March 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Net income/(expenditure)	195,460	(227,981)
Net interest expense	9,455	13,979
Depreciation charges	314,819	332,910
(Profit)/Loss on disposal of fixed assets	(17,147)	127,605
Decrease in stocks	5,105	8,910
Decrease/(Increase) in debtors	104,525	(178,316)
(Decrease)/increase in creditors	(69,918)	51,635
Cash generated by operations	<u>542,299</u>	<u>128,742</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	2022	2021
	£	£
Cash at bank and in hand	14,947	10,006
Short term investments – deposit account	744,558	344,519
	<u>759,505</u>	<u>354,525</u>

1 ACCOUNTING POLICIES

General information

1610 Limited carries out its objects as noted in the Trustees' annual report. The company is a charitable company and is incorporated and domiciled in the UK. The address of the registered office is Trinity Sports and Leisure, Chilton Street, Bridgwater, Somerset, TA6 3JA.

Basis of preparation and statement of compliance

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

1610 Limited meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The trustees have considered the going concern requirements and are of the opinion that the accounts should be prepared on this basis as the company has sufficient funds to continue trading for the foreseeable future.

Summary of significant accounting policies

The principal accounting policies adopted, critical accounting estimates, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been applied consistently unless otherwise stated.

Income

All income is recognised once the Charity has entitlement to the resources, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Where the criteria for recognition are met in advance of grants actually being received then the income is recognised within the statement of financial activities and amount due included within accrued income in debtors.

Income from grants which relate to the Government's Coronavirus Job Retention Scheme are included within other income, in the period in which the Charity becomes entitled to the income. Where this is in advance of the income being received this is recognised as accrued income within debtors.

Income from change of law payments are included within income from charitable activities in the period in which the Charity becomes entitled to the income. Where this is in advance of the income being received this is recognised as accrued income within debtors.

1 ACCOUNTING POLICIES - Continued.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be fully recovered and is reported as part of support costs.

Raising funds comprises all costs associated with raising additional funds for Charity through vending and other sales.

Charitable activities comprise all costs directly incurred in undertaking activities to fulfil the Charity's objects, together with any support costs allocated in accordance with the support cost accounting policy as described below.

Other expenditure represents those items not falling into any other heading.

Support costs include administration and head office costs not directly attributable to particular charitable activities are apportioned to charitable activities as detailed in note 8 to the financial statements.

Fund accounting

The unrestricted general fund represents the accumulation of the Charity's income and expenditure that has not been earmarked for specific projects and is not considered by the Trustees to be for a restricted purpose. To the extent that the fund is represented by readily realisable assets it provides a means of financing the day-to-day operations.

Designated funds represent amounts set aside by the Trustees for a particular purpose.

Restricted funds represent the funds received by the Charity for particular purposes as directed by the donors.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised on the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

1 ACCOUNTING POLICIES - Continued.

Tangible Fixed Assets

Tangible fixed assets costing over £500 are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off the cost less estimate residual value of each asset over its estimated useful life:

Leasehold improvements	-	straight-line over the remaining lease term.
Sports equipment:	-	Cardio equipment - straight-line over 10 years.
	-	Resistance equipment - straight-line over 10 years.
All other fixtures and equipment:	-	straight-line over 10 years.
Computer Software	-	straight line over 10 years.

Investments in Subsidiary Undertakings

Investments in subsidiary undertakings are measured at cost and reviewed annually for impairment. On the basis that the subsidiary is not material to the group, consolidated accounts have not been prepared.

Stocks

Stocks and work in progress is stated at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

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

Financial instruments

Basic financial assets, including trade and other debtors, cash and bank balances and investments in term deposits, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. Any impairment losses are recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade and other creditors are measured at amortised cost using the effective interest method. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Pension costs and other post-retirement benefits

Defined contribution pension plan

- (a) The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

1 ACCOUNTING POLICIES – Continued

Defined benefit pension plan

- (b) The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments (discount rate).

The fair value of plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of financial activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement of net defined benefit liability".

The cost of the defined benefit plan, recognised in the profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i) The increase in pension benefit liability arising from employee service during the period; and
- ii) The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the statement of financial activities as a finance expense.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

1 ACCOUNTING POLICIES - Continued.

Defined benefit pension scheme

- (a) The company has an obligation to pay pensions benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

Prior period adjustments

Where corrections are required to comparative figures, these are adjusted in the earliest period to which they relate. Details of such restatements are included in note 26.

2 NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation	314,819	332,910
Auditors remuneration for audit work	12,000	13,800
Auditors remuneration for accountancy services	3,000	5,000
Auditors remuneration for taxation and other services	10,286	15,775
(Profit)/Loss on disposal of fixed assets	(17,147)	127,605
Interest on bank loans	1,646	1,787
Interest on hire purchase	7,873	12,336
Rentals under operating leases – plant and machinery	6,195	16,042

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

3 DONATIONS AND LEGACIES

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	Total	£	£	Total
			£			£
Grants & donations	225,286	-	225,286	319,221	-	319,221
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	225,286	-	225,286	319,221	-	319,221
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 INCOME FROM CHARITABLE ACTIVITIES

	Management Fee £	Change of Law £	Membership £	Sports Activities & Swimming Pool £	Other Income £
Devon contract	128,754	78,518	144,152	368,614	24,254
BSF contract	128,000	78,931	376,581	623,591	3,028
Dorset contract	235,798	20,540	430,058	579,781	2,710
Activities	-	-	284,627	123,362	374,746
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2022	492,552	177,989	1,235,418	1,695,348	404,738
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	495,050	893,845	304,500	262,630	65,306
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 OTHER TRADING ACTIVITIES

	Income from Vending and Bar Sales		Raising Funds - Cost of Sales	
	2022	2021	2022	2021
	£	£	£	£
Devon contract	2,901	214	652	5,896
BSF contract	63,258	9,486	36,235	6,741
Dorset contract	10,596	2,923	11,453	1,900
Activities	(565)	394	6,722	2,190
	<hr/>	<hr/>	<hr/>	<hr/>
Total Sites	76,190	13,017	55,062	16,727
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs	Premises & Equipment Costs	Onsite Admin Costs	Other Costs	Total Direct Costs	St
	£	£	£	£	£	(£
Devon contract	495,817	362,322	3,470	-	861,609	1
BSF contract	579,197	157,657	11,024	2,830	750,708	2
Dorset contract	611,640	325,600	9,822	-	947,062	2
Activities	309,545	299,031	12,982	10,389	631,947	2
Total 2022	1,996,199	1,144,610	37,298	13,219	3,191,326	9
Total 2021	1,943,255	973,558	10,262	10,163	2,937,238	7

7 SUPPORT COSTS

	Staff Costs	Premises Costs	IT & Office Costs	Legal & Professional Fees
	£	£	£	£
Devon contract	29,933	89,900	35,662	8,037
BSF contract	30,773	165,648	40,085	11,728
Dorset contract	59,866	151,883	38,749	11,514
Activities	1	146,653	67,827	24,121
Total 2022	120,573	554,084	182,323	55,400
Total 2021	99,944	405,636	159,717	90,684

Support costs have been allocated to the contracts on the basis of directly relating to a specific contract or apportioned as follows: Staff costs – based on percentage of income from each contract; Other costs – by number of contracts.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

8 STAFF COSTS

	2022	2021
	£	£
Salaries and Wages	1,928,200	1,881,244
Social security costs	110,131	97,675
Pension costs	78,441	64,280
	<hr/>	<hr/>
	2,116,772	2,043,199
	<hr/> <hr/>	<hr/> <hr/>

One employee's emoluments fell within the band of £110,000 - £119,999 and pension contributions on behalf of this employee amounted to £24,800 for the year. (2021: One employee's emoluments fell within the band of £110,000 - £119,999 and pension contributions on behalf of this employee amounted to £2,467 for the year).

Some employees are members of a defined benefit pension scheme, details of which are provided in note 21.

Key management personnel remuneration is disclosed in note 22.

The average number of employees during the period, analysed by contract, was as follows:

	2022	2021
Devon Contract	45	71
BSF Contract	61	81
Dorset Contract	58	67
Activities	26	41
Total Direct Staff	<hr/> 190	<hr/> 260
Head Office Admin Support	13	14
	<hr/>	<hr/>
	203	274
	<hr/> <hr/>	<hr/> <hr/>

9 TRUSTEES' REMUNERATION

During the period, no remuneration has been paid to the Trustees or any person connected with them (2021: £Nil). No travelling expenses were paid to Trustees (2021: £Nil).

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

10 FIXED ASSETS

	Leasehold Property Improvements £	Fixtures and Equipment £	Computer Software £	Total £
Cost				
At 1 April 2021	1,556,566	1,965,095	109,680	3,631,341
Additions	-	28,350	42,727	71,077
Disposals	(119,779)	(26,992)	-	(146,771)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,436,787	1,966,453	152,407	3,555,647
Depreciation				
At 1 April 2021	698,366	1,405,660	23,695	2,127,721
Charge for year	172,875	128,169	13,775	314,819
Eliminated on disposal	(113,968)	(25,381)	-	(139,349)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	757,273	1,508,448	37,470	2,303,191
Net Book Value				
At 31 March 2022	679,514	458,005	114,937	1,252,456
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	858,200	559,435	85,985	1,503,620
	<hr/>	<hr/>	<hr/>	<hr/>

Included within fixed assets are assets with a net book value of £188,641 (2021: £216,232) relating to assets held under finance lease agreements. The depreciation charged in the period in respect of assets held under finance lease agreements amounted to £27,591 (2021: £27,591).

11 INVESTMENTS

	Total £
Cost	
At 1 April 2021 and at 31 March 2022	<hr/> <u>1</u>
Net Book Value	
At 31 March 2022	<hr/> <u>1</u>
At 31 March 2021	<hr/> <u>1</u>

1610 Limited owns 100% of the subsidiary Incedo Limited. The company's principal activity is to carry out trading activities on behalf of 1610 Limited.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

12 STOCKS

	2022	2021
	£	£
Trading stock	15,679	20,784
	<hr/>	<hr/>
	15,679	20,784
	<hr/> <hr/>	<hr/> <hr/>

13 DEBTORS

	2022	2021
	£	£
Trade debtors	116,750	162,473
Other debtors	33,888	33,888
Prepayments	61,443	57,022
Accrued income	239,075	303,580
Amount owed by subsidiary undertaking	8,148	6,866
	<hr/>	<hr/>
	459,304	563,829
	<hr/> <hr/>	<hr/> <hr/>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	185,497	142,833
Social security and other taxes	55,090	130,534
Finance leases	65,292	71,508
Other creditors	45,642	50,743
Bank loans	9,586	7,641
Accruals	236,249	147,861
Deferred income	53,551	138,428
	<hr/>	<hr/>
	650,907	689,548
	<hr/> <hr/>	<hr/> <hr/>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Finance leases	9,509	77,310
Deferred income	-	35,547
Bank loans	<u>37,271</u>	<u>46,556</u>
	<u>46,780</u>	<u>159,413</u>

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Bank loans		
Amounts falling due within one year	<u>9,586</u>	<u>7,641</u>
Amounts falling due between one and two years	<u>9,829</u>	<u>10,000</u>
Amounts falling due between two and five years	<u>27,442</u>	<u>36,556</u>

16 SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Creditors: amounts falling due within one year:		
Finance leases	65,292	71,508
Bank loans	9,586	7,641
Creditors: amounts falling due after one year:		
Finance leases	9,509	77,310
Bank loans	<u>37,271</u>	<u>46,556</u>
	<u>121,658</u>	<u>203,015</u>

The finance leases are secured on the related leased assets.

The bank loans are secured by a fixed charge over all plant and machinery and goodwill, owned now or in the future and a floating charge over all other property assets and rights of the company. The loan was drawn down in November 2020 under the provisions of the Coronavirus Business Interruption Loan Scheme

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

(CBILS). The loan carries interest at the rate of 2.5% and, following a 12 month interest and capital repayment holding, the loan will be fully repaid by November 2026.

17 CONTINGENT LIABILITY

The Charity had guaranteed its payment obligations under a contract for the management of leisure facilities by arranging performance bonds for £94,607 and £73,966 which expire in January 2023 and £29,000 and £100,000 which expire in October 2023.

18 LEASE COMMITMENTS

Hire purchase contracts

Minimum lease payments fall due as follows:

	2022	2021
	£	£
Net obligations repayable:		
Within one year	65,293	77,467
Between one and five years	9,509	71,351
	<hr/>	<hr/>
	74,802	148,818
	<hr/> <hr/>	<hr/> <hr/>

Other operating leases

	2022	2021
	£	£
Non-Cancellable operating leases		
Minimum payments under the leases are as follows:-		
Leases expiring:		
Within one year	2,738	9,188
Between one and five years	3,457	6,854
	<hr/>	<hr/>
	6,195	16,042
	<hr/> <hr/>	<hr/> <hr/>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long term Liabilities	Pension Liability	Total
	£	£	£	£	£
Restricted Income Funds					
GAP funding	-	1,302	-	-	1,302
Torrige	556	-	-	-	556
South Molton	131,132	-	-	-	131,132
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	131,688	1,302	-	-	132,990
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Unrestricted Income Funds					
Trinity Sinking Fund - designated	-	23,271	-	-	23,271
Unrestricted Income Funds	1,120,769	559,008	(46,780)	-	1,632,997
Pension Reserve	-	-	-	(528,000)	(528,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	1,120,769	582,279	(46,780)	(528,000)	1,128,268
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Funds	1,252,457	583,581	(46,780)	(528,000)	1,261,258
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Purposes of Restricted Funds

- GAP funding is for supporting the programme of play schemes in Glastonbury. The money was for purchasing and maintaining equipment to benefit the children.
- Torrige District Council provided funds to improve the facilities at Torrige.
- South Molton provided funds to cover any deficit caused by running this facility.

Purposes of Designated Funds

The Trustees have set aside the following designated fund:

- The Trinity sinking fund – which represents fund set aside in respect of future facilities management services of the Trinity centre.
- The Pension Reserve relates to the defined benefit pension scheme as detailed in note 21.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

20 MOVEMENT IN FUNDS

	Balance as at 1 April 2021	Income	Expenditure	Actuarial Gain	Transfers	Balance as at 31 March 2022
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
South Molton	136,833	-	(5,701)	-	-	131,132
Torrige	8,567	-	(8,011)	-	-	556
Leisure Recovery Fund	-	91,320	(91,320)	-	-	-
Total Restricted Funds	146,702	91,320	(105,032)	-	-	132,990
Trinity Sinking Fund - designated	23,271	-	-	-	-	23,271
Unrestricted Income Funds	1,423,825	4,291,992	(4,082,820)	-	-	1,632,997
Pension Reserve	(674,000)	-	-	-	146,000	(528,000)
Total Unrestricted Funds	773,096	4,291,992	(4,082,820)	-	146,000	1,128,268
Total Funds	919,798	4,383,312	(4,187,852)	-	146,000	1,261,258

21 EMPLOYEE BENEFIT OBLIGATIONS

West Dorset District Council scheme

During the year ended 31 March 2013, 1610 Limited agreed a contract to provide leisure services for West Dorset District Council. Part of this contract included the transfer of employees and their associated pension benefit obligations. As part of the transfer agreement the defined pension obligations in respect of transferred employees became the responsibility of 1610 Limited from 1 October 2012. These pension scheme obligations at the balance sheet date showed a deficit of £528,000 (2021: £674,000).

The employer contributions expected to be paid to WDCC scheme during the period ending 31 March 2023 are £3,000.

The assets of this defined benefit scheme are held separately from those of the company and comprise segregated funds of the Dorset County Council Pension Fund in respect of pension benefits provided by the Local Government Pension Scheme (LGPS) to employees of 1610 Limited. The LGPS is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2014. It is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. The scheme is now closed to new members.

Contributions are set every three years as a result of the actuarial valuation of the Funds required by the Regulations. The most recent full valuation was 31 March 2019. The next actuarial valuation of the Funds will be carried out as at 31 March 2022 and will set contributions for the period from 1 October 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The company does not operate any unfunded schemes.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

21 EMPLOYEE BENEFIT OBLIGATIONS – continued

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

	2022	2021
	Total	Total
	£	£
Defined benefit scheme:		
Current service cost	10,000	6,000
	<hr/>	<hr/>
Total charge in operating profit	10,000	6,000
Defined benefit scheme:		
Net interest expense	13,000	7,000
Admin expenses	1,000	-
	<hr/>	<hr/>
Total charge	24,000	13,000
	<hr/> <hr/>	<hr/> <hr/>

Defined Benefit Pension Plans

	2022	2021
	Total	Total
	£	£
Present value of funded obligations	(1,307,000)	(1,385,000)
Fair value of plan assets	779,000	711,000
	<hr/>	<hr/>
Pension fund liabilities	(528,000)	(674,000)
	<hr/> <hr/>	<hr/> <hr/>

The principal actuarial assumptions at the balance sheet date were:

	2022	2021
Discount rate	2.6%	2.1%
Future salary increases	3.1%	2.8%
Future pension increases	3.1%	2.8%
Consumer Price Index price increase	3.1%	2.8%
Retail Price Index price increase	-	3.1%

21 EMPLOYEE BENEFIT OBLIGATIONS - continued

Mortality

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 90% for males and 100% for females. These base tables are then projected using the CMI 2020 Model, with an allowance for future longevity improvement of 1.25% per annum, smoothing parameter of 7.5%, an initial addition parameter of 0.5%pa and a 2020 weighing of 25%. The 2020 weight parameter reflects the exceptional mortality due to the coronavirus pandemic. The effect on assumed life expectancies is demonstrated in the table below.

The average life expectancy in years for a member from the age of 65 are:

		2022 (years)	2021 (years)
Retiring today:	Males	23.1	23.1
	Females	24.7	24.6
Retiring in 20 years	Males	24.4	24.4
	Females	26.1	26

Demographic / statistical assumptions:

A set of demographic assumptions that are consistent with those used for the most recent fund valuation as at March 2022 were adopted.

Reconciliation of scheme assets and liabilities

	Assets £000	Liabilities £000	Total £000
At 1 April 2021	711	(1,385)	(674)
Benefits paid	(7)	7	-
Employer contributions	3	-	3
Contributions by scheme participants	1	(1)	-
Current service cost	-	(10)	(10)
Interest income/(expense)	15	(28)	(13)
Admin Expenses	(1)	-	(1)
<u>Remeasurement gains/(losses)</u>			
Actuarial gains	-	110	110
Return on plan assets excluding interest income	57	-	57
At 31 March 2022	779	(1,307)	(528)

21 EMPLOYEE BENEFIT OBLIGATIONS – continued

The fair value of the major categories of scheme assets are as follows:

	Defined Benefit Pension	
	Plans-Total	
	2022	2021
	£000	£000
Equities	414	389
Liability Driven Investment	97	81
Other Bonds	179	158
Property	73	67
Cash	16	16
	<hr/>	<hr/>
	779	711
	<hr/> <hr/>	<hr/> <hr/>

The return on plan assets was:

	2022	2021
	£000	£000
Interest income	15	14
Return on plan assets less interest income	57	123
	<hr/>	<hr/>
Total return on plan assets	72	137
	<hr/> <hr/>	<hr/> <hr/>

22 RELATED PARTY TRANSACTIONS

During the year the company paid for goods and services on behalf of Incedo Limited, a wholly owned subsidiary, to the value of £20,730 (2021 £Nil). A balance of £8,148 (2021: £6,866) was owing from Incedo Limited at the balance sheet date.

The key management of the charity comprise the Chief Executive Officer and the Senior Leadership Team. The total employee benefits of the key management personnel were for the year £299,128 (2021: £263,914).

23 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no authorised or issued share capital. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

24 ULTIMATE CONTROLLING PARTY

As a company limited by guarantee, the company is not under the control of any one individual. All decisions are taken by the Board of Directors who are the members of the company.

25 COMPARATIVE INFORMATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds	Restricted Funds	Restated Total Funds 2021
	£	£	£
INCOME FROM			
Donations and legacies	319,221	-	319,221
Charitable activities	3,170,415	-	3,170,415
Other trading income	13,017	-	13,017
Investments	144	-	144
	<hr/>	<hr/>	<hr/>
Total	3,502,797	-	3,502,797
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON			
Raising funds	16,727	-	16,727
Charitable activities	3,700,969	13,082	3,714,051
	<hr/>	<hr/>	<hr/>
Total	3,717,696	13,082	3,730,778
	<hr/>	<hr/>	<hr/>
Net expenditure	(214,899)	(13,082)	(227,981)
Transfers between funds	15,296	(15,296)	-
Net expenditure after transfers	(199,603)	(28,378)	(227,981)
Remeasurement of defined benefit pension schemes	(336,000)	-	(336,000)
	<hr/>	<hr/>	<hr/>
Net Movement in funds	(535,603)	(28,378)	(563,981)
	<hr/>	<hr/>	<hr/>
Total funds brought forward	1,308,699	175,080	1,483,779
	<hr/>	<hr/>	<hr/>
Total funds carried forward	773,096	146,702	919,798
	<hr/>	<hr/>	<hr/>

25 COMPARATIVE INFORMATION (Continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 MARCH 2021

	Tangible Fixed Assets	Net Current Assets	Long Term Liabilities	Pension Liability	Total
	£	£	£	£	£
Restricted Income Funds					
GAP Funding	-	1,302	-	-	1,302
Torridge	8,567	-	-	-	8,567
South Molton	136,833	-	-	-	136,833
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	145,400	1,302	-	-	146,702
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted Income Funds					
Trinity Sinking Fund – Designate	-	23,271	-	-	23,271
Unrestricted Income Funds	1,358,221	225,017	(159,413)	-	1,423,825
Pension Reserve	-	-	-	(674,000)	(674,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	1,358,221	248,288	(159,413)	(674,000)	773,096
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	1,503,621	249,590	(159,413)	(674,000)	919,798
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

25 COMPARATIVE INFORMATION (Continued)

MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2021

	Balance as at 1 April 2020 £	Income £	Expenditure £	Actuarial Gain £	Transfers £	Balance as at 31 March 2021 £
GAP funding	1,302	-	-	-	-	1,302
South Molton	157,200	-	(5,071)	(15,296)	-	136,833
Torrige	16,578	-	(8,011)	-	-	8,567
Total Restricted Funds	175,080	-	(13,082)	(15,296)	-	146,702
Trinity Sinking Fund - designated	23,271	-	-	-	-	23,271
Unrestricted Income Funds	1,623,428	3,502,797	(3,717,696)	15,296	-	1,423,825
Pension Reserve	(338,000)	-	-	-	(336,000)	(674,000)
Total Unrestricted Funds	1,308,699	3,502,797	(3,717,696)	15,296	(336,000)	773,096
Total Funds	1,483,779	3,502,797	(3,730,778)	-	(336,000)	919,798

26 PRIOR YEAR ADJUSTMENT

Income Classification

The prior year comparatives have been restated to reflect a correction to the classification of income. Income from Coronavirus Job Retention Scheme was £1,149,084. This amount has been reclassified as income from charitable activities in accordance with recommendations from the SORP Committee. There is no net impact on total income of this adjustment.

1610 LIMITED

England & Wales - Charity number 1130010

Accounts

1610 Limited

Report of the Trustees, Strategic Report and

Audited Financial Statements

For the Year Ended 31 March 2021

Registered Charity Number 1130010

Registered Company Number 06727055 (England and Wales)

1610 Limited
Contents of the Financial Statements
For the Year Ended 31 March 2021

Reference and Administrative Information	2
Trustees' Annual Report (Incorporating the Strategic Report)	3
Report of the Independent Auditors	14
Statement of Financial Activities (Incorporating the Income and Expenditure Account)	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	22

1610 Limited
Reference and Administrative Information
For the Year Ended 31 March 2021

TRUSTEES: Mr M Winlow
Mr J Sladden
Mr R Burt

SECRETARY: Mr P Fox

REGISTERED OFFICE: Trinity Sports & Leisure
Chilton Street
Bridgwater
Somerset
TA6 3JA

REGISTERED COMPANY NUMBER: 06727055 (England and Wales)

REGISTERED CHARITY NUMBER: 1130010

AUDITORS: A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

BANKERS: NatWest
26 – 27 Fore Street
Taunton
Somerset
TA1 1JQ

SOLICITORS: The Legal Director
107 Cheapside
London
EC2V 6DN

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

The Trustees, who are also Directors for the purposes of company law, present their annual report and their strategic report with the financial statements for the year ended 31 March 2021.

Introduction from our CEO; Tim Nightingale

Welcome to the 1610 Ltd 2020/21 Trustee's report.

On March 21 2020, the UK Government announced the first COVID-19 Lockdown period for the entire nation. The 1610 Ltd annual accounts for 20/21 cover an unprecedented operating period dominated by the global COVID-19 pandemic. The direct impact of Government action to control the spread of the COVID virus saw 1610 Ltd fully closed for eight months of the twelve month operating year. The stark reality of the COVID 19 pandemic has been a year long commercial battle to financially survive the massive disruption to the 1610 business.

The Trust has emerged in 2021/22 from the successive 'lockdowns' as a viable business. This has largely been achieved by accessing the extensive financial support offered by Government and through the securing of contractual payments negotiated with partner Councils.

Throughout the year, the Trust core management Team undertook a comprehensive review of every aspect of business operation. The strategic aim was to reduce operating costs and implement new working practices to alleviate the loss of trade resulting from COVID 19. The 1610 staff team has been outstanding in the face of immense challenge and pressure.

Whilst the 8 month closure period was incredibly debilitating on staff morale, and on the existing customer base, the Trust has seen a highly positive return of users to sites since COVID regulations were relaxed in the UK in July 2021.

Without the support of UK Government, our local Government partners and help from suppliers 1610 could not have financially survived the past year of isolation and closure. All at 1610 are extremely grateful for the superb support that we have received.

Structure, Governance and Management

Governing Document

1610 Limited is a charitable company limited by guarantee, incorporated on 17 October 2008, and registered as a charity on 5 June 2009. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Principal Activities

The Trust operates seven leisure centres on behalf of local Councils in the Southwest UK. Together with 1610 owned sites these facilities provide community access to sporting / leisure / fitness services ensuring local rural facilities are available to everyone and the promotion of a fit and healthy lifestyle. Complementing the leisure contracts are a range of 1610 owned facilities and services that operate sports development, health, and wellbeing programmes.

Organisational Structure

1610 currently has 3 Board members. The Board normally meets four times per annum. During the COVID 19 Pandemic the Trust Board convened on a regular basis, through Zoom meetings, to update Trustees on the company position and seek approval for action.

The Board is serviced by a Company Secretary who is also the 1610 Legal Advisor. Specialist advisers to 1610 e.g., Accountants / Legal attend Board meetings to advise Trustees as required.

The Board delegates responsibility for daily operations to the Chief Executive and the Senior Leadership Team (SLT). This team has responsibility for the delivery of contractual outcomes, service specifications and to agree on Key Performance Indicators. Further pathways of delegation are in place from the CEO / SLT through to the wider management Team to operate the Trust business units across multiple venues in the Southwest.

Operational standards are defined through nationally recognised quality leisure management systems/frameworks that comprehensively document activities and processes for staff at all levels.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

Recruitment and Appointment to the Trust Board

Directors of the company are also charity Trustees for the purposes of charity law. They are elected to serve for 3 years retiring on the third anniversary of their appointment, after which they may be re-elected for a further 3 years. Potential new Trustees are identified through networking and recommendation; it is important to us that Trustees understand our ethos from the outset and are passionate about what we do.

The Board had been seeking to expand to 5 Trustees in 19/20 however, the closure of the business and UK through COVID Lockdown periods has postponed the search for new appointments.

Trustee Induction and Training

New Trustees are invited to meet the Senior Leadership Team members and are given a short induction at Trinity Sport and Leisure centre HQ to advise them on the operations, activities, and key personnel within the Trust. These sessions are led by the Chief Executive and other key senior staff and include:

- A welcome pack: including materials related to the Trust operations and governance (including the financial accounts), legal status and guidance from the Charity Commission on the responsibilities, obligations, and liabilities of becoming a Trustee.
- New Trustees are given an opportunity to visit one of the main Trust leisure operations to familiarise themselves with the core work and to meet Trust staff.
- New Trustees are also encouraged to contact the Chair of the Trust, a fellow Trustee, or the Company Secretary to gain a further insight into the day- to- day business and ethos of the organisation.
- Trustees are regularly updated on training opportunities at Board sessions including key functions around safeguarding and health and safety.
- All Trustees are given an induction as part of the Trust health and safety policy. Core training on health/safety and safeguarding is delivered to the Board on an annual basis or as and when significant changes to policy or UK Law dictate the need for a refresh.

Payments to Trustees

During the period, no remuneration has been paid to the Trustees or any person connected with them. Travelling expenses totalling £0 (2020: £0) were paid to Trustees during the period.

Our Aims and Objectives

1610 Trust purposes are defined in the objects set out in the company's Memorandum of Association and can be summarised as follows:

- The advancement and support of education, cultural services, and other related provision through direct management of facilities or related activity programmes.
- The delivery and management of leisure, recreation, and sports facilities particularly with a focus on provision for 'hard to reach' groups and key target groups that have barriers to participation.
- The promotion and delivery of health and wellbeing programmes with an emphasis on sport and physical activity.
- The advancement of physical education and sport.
- Other charitable proposals that have public benefit which are consistent with the core objectives of the trust.

1610 seeks to deliver high quality services to Somerset and wider Southwest communities. The core aims of our work is to develop 1610 facilities and programmes to improve health, sporting / leisure abilities and participation; contribute to raising the quality of life for the general community and supporting schools in their development of young people. Throughout this work, Trustees recognise that there is a need to ensure that the Trust observes Charity Commission guidance on public benefit to ensure alignment with activities and the core Trust aims and objectives.

How activities deliver public benefit

1610 serves a largely rural population in Southwest England through a network of leisure facilities. Four of the sites are dual-use in nature and this model maximises the use of leisure assets on school sites. This model often provides isolated or small rural communities with access to local sports, health, and learning facilities / programmes where there would be insufficient volumes of people to make dedicated leisure centres viable.

Through this network of centres, 1610 delivers a diverse programme, often being asked to target hard to reach groups, those that are financially or socially excluded, isolated communities or to work in areas with significant deprivation issues. 1610 works with groups and individuals creating many examples of life-changing experiences. They are often achieved through using leisure / sport / health and fitness as a catalyst for altering the direction of a person's life or by providing new opportunities for a whole community.

1610 tackles many cross-cutting social issues through leisure and sports offerings e.g., working with partners on crime reduction and diversionary activities offering young people parkour, paintballing, climbing and fitness programmes. This delivery is often in partnership with the public sector agencies, Health Authorities, Housing Associations, local authorities, and community action groups.

Strategic Report **Achievement and Performance**

Managing delivery of our aims

In normal operating years Senior Managers and the Trustees review the Trust aims, objectives and delivery on an annual basis against the yearly business plan that includes contractual targets and the annual budgets. Each department of the Trust produces annual work stream plans to enable successful programme delivery and overall development of the Trust business.

Through the UK Growth Accelerator Programme, 1610 fully embedded the Vision Orbit (VO) strategic business tool to review and development organisations performance. The annual VO, Vital Few and Single Page Plan form the basis of business planning within the company. Staff members at every level of the organisation use this tool to align activities.

During the 2020/21 the Trust managed a series of public sector service contracts in Southwest England:

- A ten-year leisure contract with Torridge District Council to operate four leisure centres in North Devon.
- A ten-year contract with Futures for Somerset, to operate two dual use leisure facilities as part of the PFI Building Schools for the Future initiative in Bridgwater, Somerset.
- A ten-year contract with Dorset Council to operate the £8.5m Dorchester Leisure Centre in Dorchester.

In 2020 the Futures for Somerset leisure contract was extended for a further five years to end in September 2025. In addition, Dorset Council indicated that it will be seeking to extend their contract for the operation for Dorchester Leisure Centre beyond October 2021.

The status of each contract is set out in the key activities section below. Each contract has a comprehensive performance framework that is monitored quarterly / annually by the Senior Leadership Team and the various Council contract commissioning bodies.

The Trust devises and develops other programmes for the core Trust business that generate income e.g., Sports development events, outdoor education delivery and apprenticeship opportunities. 1610 also owns / operates 5 sites that sit outside these contracts.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

What sets 1610 apart from other fitness/leisure providers is the changing role of the Trust – it's much more than just management of leisure centres. Since 2012 the Trust has actively pursued a wider community role, by increasing the choice of activities - from healthy living initiatives, adult learning programmes to workforce development and training for the leisure industry. Health and wellbeing are however the platform and common denominator to the activities, and the reason 1610 has a huge impact on people's lives.

Key KPIs for the Trust are:

- Number of people attending our sites;
- Meeting fitness standards;
- Number of customer complaints, linked to customer satisfaction;
- Health & Wellbeing attendances;
- Number of effective community and club partnerships;
- Numbers of Children enrolled on Swim Programmes;
- Number of Trust fitness members.

The Focus of Work 2020/21

Financial Risk Management / Business Stability

The onset of COVID 19 in the UK from March 2020 onwards totally dominated the focus of business activity for the year. The Trust Business plan was shelved as the Company faced significant risk and financial pressures:

- Successive national 'lockdowns' closing down 1610 sites and limiting population movement
- The introduction of strict health and safety requirements governing the limited access to sites and social distance rules reducing site capacities
- Increased operating costs to enable enhanced cleaning and sanitisation of entire facilities
- Staff sickness increase through COVID infection
- Managing key changes to HR practices linked to the newly introduced Furlough Scheme launched in May 2020.

The single focus throughout the year for the Trustees, SLT and staff teams has been the securing of the 1610 business amid the unique chaos created by the COVID pandemic.

Key activities 2020/21

The Trust SLT took steps to reduce commercial risk and revise the cost base of the company:

- **Finance**
- Holiday payments on Bank loans / vehicle leases / Equipment lease Costs / Photocopying Contracts were secured for varying terms between 3 /6 months – re-scheduled payments came into effect in September 2020.
- Re-negotiations to freeze contracts under Force Majeure were conducted with a wide range of suppliers – DD collection companies / service suppliers to sites / Vending / Cleaning.
- Agreement was reached with suppliers on forward payments. 1610 did not pay annual upfront charges for services in 2020/21. Payments to external companies were re-negotiated to either monthly DD or quarterly e.g., landlord rental moved to monthly. This was designed to provide 1610 with some protection if companies become insolvent and to protect 1610 cash flow.
- Existing business support contracts had negotiated discounted – e.g., IT / Telecoms
- Debt reduction – the Trust elected to pay off loans within the original timescales for the borrowing. This enabled 1610 to end the year with much reduced financial liability despite the business closure.
- Energy costs to sites were reduced during lockdown as sites were mothballed. Under Force Majeure the energy contracts were flexed to relax the normal 80% minimum threshold payments on supply. 1610 paid actual costs.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

Government COVID Support

- In April 2020, 1610 furloughed 390 staff for the 4-month lockdown period March – July 20. The Furlough scheme continued to be used by 1610, in varying degrees, throughout the entire year – in total 1610 received £1,149,084 in Furlough funds for 20/21.
- The Company accessed 'one-off' £180K Government grant support in May 2020 – providing urgent cashflow assistance. Additional Government grant funding was made available during each period of lockdown that followed – November 20 / January -March 21.
- VAT payment holidays and phased payments were agreed with HMRC.
- 100% rate relief was secured for all 1610 properties.
- As of March 31, 2021, sites remain closed. The Government COVID Roadmap set out a re-opening timetable for UK Business which completed in June 2021.
- In Sept 2020 the Board agreed to secure a £50k Bounce Back Loan from Nat West – underpinned by Government to aid cashflow.

Leisure Contract Renegotiations

- All three 1610 Council Leisure Service contracts contain Change in Law clauses that protect 1610 as the operator. Agreed payment arrangements were secured by 1610 based on loss of income / profit since the COVID 19 pandemic emerged.
- All three contract partners agreed to flex contractual matters to allow 1610 the ability to adjust opening times and operate in COVID safe environments with limited capacity.

1610 Operations

- 1610 relocated the Company HQ in July from Hestercombe House to Trinity Sports and Leisure Centre. This was a commercial decision as the new HQ is within an existing 1610 site. It is estimated that this will save 1610 £40-£45k per annum.
- The closure of the Hestercombe HQ also triggered the ending of the ODAT outdoor education Department, operating in the House grounds. This was a programme subsidised by the Trust for Education providers and children. Closure of the programme reduced costs by £20k per annum.
- The HQ team was reduced through 1 redundancy – costs circa £20k - and a retirement. This offered central staffing costs savings of £40k pa.
- The removal of ODAT activities, which carried high insurance risk had the effect of reducing annual insurance costs. The new annual Trust premium in August 2020 was £56,000 down from £94,500 in the previous year.
- 1610 closed one site operation at Preston School, Yeovil. The lease was terminated but mutual consent and site handed back to the Academy in Oct 2020.

HR

- 1610 constantly reviewed its workforce from the onset of the pandemic. At the beginning of the COVID 19 pandemic 1610 employed 398 staff, it substantially reduced the headcount of the company to approximately 200 people by March 2021. This reflects the significantly reduced capacity of facilities under COVID safe regulations.
- The Furlough scheme was extensively used by 1610 to offset staffing costs. The Trust is conducting re-structuring of site and central staff teams as cost saving measures as sites re-open.
- Throughout 'Lockdown' periods the company operated with a skeleton staff of 4 central staff and 3 site based employees.

Investment Policy

The vast majority of the funds the Trust generates on an annual basis is committed to annual operations. It is unlikely, in the short or medium term, that there will be significant funds generated for long term investment. The Board is keen to make provision for the development and growth of the reserve fund however, it is important

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

that the Trust utilises its cash to develop business and support the agreed charitable outcomes. Cash in hand is currently held in a special interest-bearing account with NatWest. The bank offers a basic treasury service to maximise the investment of these funds whilst covering day to day operational business needs.

Reserves Policy

The Trustees recognise the requirement to establish a reserves policy; in setting the reserves policy the Trustees have considered the need to manage resources for the benefit of the charity's aims and objectives and to maintain financial stability, taking into account the risks and potential impact in the current economic environment.

The Trust has had a policy of holding a minimum Reserve of £200,000. As income covers operational costs the need to maintain reserves is based on any unforeseen call on funds, and for future capital and operational expenditure. This has been determined based on the Trust Risk Register; identifying the financial impact of these risks being realised, and future plans of the Trust. This level of reserves is considered acceptable as it meets the minimum reserves policy and allows the Trust to set aside resources to meet the requirements of the National Living Wage and for future investment projects.

For the first time in 1610 operating history the Reserves policy was tested by the COVID created economic conditions. The Trust had total reserves beyond the minimum level and levels of cash reserves never fell below £300,000 in the year.

The Reserves Policy is to be reviewed in 2021/22 and updated as a part of the planned COVID review of the business.

Key Management Remuneration and Performance Criteria

Remuneration for all job roles is evaluated according to the role and level of responsibility; and this applies to members of SLT (Senior Leadership Team), and the CEO. CEO remuneration is separately reviewed, set by the Trustees and agreed annually by the Board. SLT and the CEO are given clear objectives both in their area and at a strategic level; this is incorporated into the Trust's Vision Orbit Business Plan. These objectives are reviewed on a regular basis both at SLT level and at regular "job chats", which are the equivalent to appraisals. The CEO reports to the Board on the objectives together with performance of those objectives.

No general pay increases were awarded beyond the legal requirements in 20/21. The impact of Living wage remains a major annual financial pressure for the Trust. Maintaining pay differentials is a very difficult balancing act given the need to compete within an increasingly price aggressive sector.

Employee Information

The heart of a company is the staff team. 1610 is dependent on the skill and enthusiasm of its employees in order to achieve its business and charitable objectives. The Trustees are therefore committed to effective employee communication and equal opportunities. The selection, training development and promotion policies ensure equal opportunities for all employees regardless of gender, marital status, race, age, or disability. Internal communications are designed to ensure that employees are well informed about the activities of the charity and staff attitudes are researched so that the Senior Leadership Team can respond positively to the ideas and needs of employees.

The use of Workplace, a Facebook product for internal business communications, has had a very positive impact on staff engagement. 78% of staff have active accounts and this tool has enabled all staff, casual and remote based people, to access 1610 information and communications.

The Trust re-established external support for HR matters in March 2020 through a new 1-year contract with Mentor HR services. This has been a critical decision given the complexities of HR issues created by COVID 19.

Staffing is the major costs in leisure sector companies and 1610 has set an agenda to aspire to have fewer, better paid staff in the future. The nature of employment in this sector is also changing. More staff are moving to self-employed roles such as PT trainers / Instructors. It is likely that contractually terms will also move to more demand led work using zero hours contracts.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

The staff Payroll was under constant scrutiny during 20/21. Not only were the employee numbers halved but the Trust also reviewed Terms and conditions and supporting administration linked to employment. This work was undertaken in-house and with Mentor HR support

Gender Pay Gap reporting was suspended for the year under dispensation from Government

Financial Review

The headline financial information for 2020/21:

- Due to the 8-month COVID Lockdown period the Trust recorded a huge drop in total income to £3,502,797 (2020: £2,835,558 for 6 month period)
- The Trust posted total sales of £2,021,331 for the 4 months of 'live' operating
- Other income also includes 'one off' Government grants and Change of Law payments
- The key to remaining viable was the influx of external funds from Government and Council partners. The Furlough scheme alone provided £1,149,084 to help underpin costs
- Expenditure was controlled via the various mechanisms set out in the strategic report
- Despite the economic conditions The Trust continued to repay its long-term liabilities – with amounts due after more than one year reducing to (£159,413) from (£327,386) within the year
- The Trust generated a loss for the 20/21 year of (£227,981) (2020: profit £108,452)
- The most serious impact on the Trust position was the movement in the forecast of liabilities for the Dorset LGPS, increasing the Trust pension liabilities by £366,000 to (£674,000). This was a significant negative swing from the previous year when the pension liability fell by a similar amount
- As a result of the above the Trust total reserves fell to £919,798, down from £1,483,779 in 2019/20. a net movement in funds of (£563,981)

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will have sufficient funds to pay debts as and when they fall due and continue in operation for a period of at least twelve months from the date of authorisation of the financial statements.

As detailed in the Trustees' Report, the COVID 19 pandemic has had a significant impact on the company's operations and measures taken by Government to contain the virus have negatively affected results in the current and subsequent reporting periods.

Having managed the significant operational and financial impacts to date, the trustees and SLT are confident that the Trust has adequate funds to continue in operation for a period of at least 12 months from approval of the financial statements.

The Trustees and SLT have regularly reviewed forecasts which indicate that the company has sufficient cash available to continue to operate and these financial statements have therefore been prepared on a going concern basis.

However, the duration of the COVID 19 crisis still remains unknown and there is continued uncertainty over the potential future impact of the pandemic. The pandemic could have further and continued negative impacts on the company's operations beyond those already forecast and the company may experience further negative results, and cash constraints as a result.

As a result, there is a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

Plans for Future Periods

2021/22

In normal years the Trust prepares annual business plans and financial forecasts for the delivery of commissioned services and developmental work. 2020/21 has been a unique year and the start of 2021/22 still had all 1610 facilities closed due to national lockdown.

1610 SLT and Board have used the closure periods to set out a simple six-point business plan for 2021/22. The ability to deliver this plan is subject to a successful emergence from lockdown and initiating a plan to re-open all sites. The likely return of business was an unknown factor.

The 2021/22 Trust Plan sets out:

1. To obtain 80% of the business back by March 2022.
2. To relaunch and repackage the 1610 Health and Wellbeing offer, our emphasis will be on being healthy not fit
3. To rollout a digital transformation strategy evolving and improving all 1610 internal and external platforms
4. Position all staff to embody 1610 DNA – delivered through enhanced training and recruitment
5. To position 1610 as an environmentally conscious thoughtful business, reducing its carbon footprint
6. To develop and evolve all 1610 own facilities to ensure that they are profitable and sustainable individual business units

The key tasks for the Trust will be to re-launch all sites with COVID safe environments that build customer confidence and aid their return to activity. There are now competitors that have emerged during lockdowns – online providers, outdoor activity and home gym solutions have all gained traction in the fitness market due to people being confined to home or the immediate locality

Financial viability remains paramount for the Trust. This will involve the switching from considerable external funding support back to growing and sustaining the usual 1610 business income streams.

To aid this transition 1610 has successfully helped Council partners to secure funding from the Sport England National Leisure Recovery Fund. These funds will be available to pump prime the return of activity programmes, extend opening hours, and subsidise activity to all time for customers to develop confidence to return to sites post Lockdown

Principal Risks and Uncertainties

A full review of the Business Risk Register takes place during the year; this is reviewed on a regular basis and the Board is presented with a Business Risk Improvement Plan at each Board meeting, together with any additional risks that are identified. The risk assessment covers all areas of the business including operational, financial, compliance, external and governance risks, particularly in the light of any new projects undertaken and changes to the political climate and local economies.

The current principal risks and uncertainties faced by the Trust are:

- The short- and medium-term impact of COVID 19 – and the potential for further lockdown closures
- Viability and cash flow of 1610
- Recruitment and retention of staff
- Non extension of existing service contracts over the next two years
- Reliance on low margin activities.
- Major Plant failure at sites – impact of lockdown on assets 'mothballed' for several months
- Growth of online leisure providers / Home fitness market
- Loss of key management (Trustee/CEO/SLT)
- Failure of Duty of Care (Health & Safety and safeguarding)
- Increasing Pension liabilities with the Dorset LGPS

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

Systems and processes have been put in place to manage and mitigate the risks 1610 face

- For health and safety and safeguarding, external consultants are used to assess operational performance and highlight risk management issues and actions needed.
- All staff undergo formal training and regular update courses to ensure they understand their responsibilities with regard to safeguarding. Recruitment processes are robust ensuring everyone follows due process and all staff are Disclosure and Barring Service (DBS) cleared before they can commence employment with the Trust.
- The Trust uses QUEST, a national accredited quality assurance sports framework, to externally assess all aspects of operational performance - highlighting excellence and areas for improvements
- These external processes support periodic reviews at Board level prompting adjustment to operations as risks change or new challenges arise.
- External HR support and advice is provided by Mentor

Robust and rigorous financial processes are in place to ensure performance is regularly reviewed on a daily / weekly and monthly level and corrective action taken quickly. This has been essential during the COVID pandemic.

Whilst significant reliance is placed on the CEO and SLT's skills; each has a strong team supporting them and no individual works in isolation, ensuring adequate cover can be put in place immediately, temporary cover could also be provided by recruiting external professionals, together with support from the Trustees.

At a more strategic level, legal and financial risks are identified and mitigated through our work with professional advisers and auditors.

1610 continually strives to improve their margins by developing their own branded products and reviewing work practices to ensure the Trust operates as efficiently as possible. 1610 remains flexible in its approach to ensure it can adapt to changes in legislation and contractual requests.

Pool plant failure will always remain a risk that is difficult for 1610 to mitigate against, however we work closely with our contractual partners to ensure the plant is maintained appropriately where it is our direct contractual responsibility to do so.

Risk management is a standing item on the monthly Senior Leadership Team agenda and quarterly Board agenda.

Financial Risk Management Objectives and Policies

The trustees are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate, and manage the key risks.

a) Price risk - The charity is exposed to price risk as a result of its operations. Due to the economic climate and new leisure budget operator competition the charity has to sell and provide services at competitive prices in order to maintain membership levels.

b) Credit risk – Due to the charity's activities, credit is very rarely given. Any credit extended to customers is subject to appropriate review and monitoring.

c) Liquidity risk – COVID 19 pandemic has made this the core focus of daily life. Trustees have regularly been updates on cash flow and financial risk. Support been requested from the Trust financial advisors and commercial lenders to help manage the Trust business through the pandemic.

d) Cash flow risk - the CEO / Finance Team normally meet every quarter with the Trust Bank representatives to review the position of the Trust loans / leases and investments. Cashflow was monitored daily during 20/21 financial period.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

e) Economic risk - The charity's performance is directly impacted by the economic environment. In order to manage this risk, the charity strives to deliver competitively priced products and services. The charity is actively concentrating on improving efficiency and reducing costs.

f) Credit Rating – the Trust is aware that it is essential to maintain a strong, positive financial profile. The Trust credit rating is reviewed periodically to monitor the health of the Trust finances.

g) Post COVID Business Returning – the return from lockdown and following 6-12 months will be a pivotal moment in defining how 1610 recover from the pandemic.

Post balance Sheet Events - April 2021 onwards

- **Emergence from lockdown – April -July 2021**

As of March 31, 2021, sites remain closed. The Government COVID Roadmap set out a re-opening timetable for UK Business scheduled for completion in June 2021. This is now in place and all ten 1610 operated facilities are back in operation – some with reduced opening.

- **Business Return**

1610 has seen substantial parts of business return since re-opening in April 2021. The key area of Swim programme has experienced up to 80% return of members within three months. Fitness membership return has been approximately 65% of business return within the first 3 months of full re-opening.

- **Cashflow**

The Trust cashflow position and cash reserves have been stabilised and are now replenished. Reserves are back at pre-COVID levels with approximately £760,000 available as at 7 October 2021.

- **National Leisure Recovery Fund**

1610 has secured NLRf funding for Caryford, South Molton and Trinity leisure sites. Additional funding for Devon sites and Dorchester has been secured by partner Councils. These Sport England awards are helping to underpin the slow re-opening of sites, programmes, and individual business areas such as Cafes.

- **Workforce & Recruitment**

1610 is now operating with a workforce of 192 staff – down from 379 staff in May 2020. As with many UK businesses in the first 6 months of 2021/22 1610 has faced very challenging condition in the labour market. This has had a detrimental impact on the re-opening and re-growth of the business. 1610 fully exited the Furlough scheme at the end of June 2021.

COVID related illness still presents business risks across all sites

- **Financial Performance**

The Trust has been able to move back in to profit during the first six months of re-opening and re-launching business activity. It has also been possible to settle delayed Lockdown related payments to suppliers, HMRC and funders leaving 1610 in a stronger financial position to face any further challenges from COVID 19.

Savings in revenue that have been outlined in this strategic report are helping to underpin the return to profitability.

- **Dorset Council Leisure Contract**

The Trust has been asked to consider if it will accept a 5-month contract extension for the management of Dorchester Leisure Centre. This extends the contract from October 2022 to March 2023.

1610 Limited
Trustees' Annual Report (Incorporating the Strategic Report)
For the Year Ended 31 March 2021

- **Torridge District Council Leisure Contract**
The Council has confirmed that it is intending to move the leisure operations in Torridge back to an 'inhouse' model at the end of the ten-year contract period – April 2022.
- **ICT Upgrade**
1610 has completed a major ICT infrastructure upgrade (£40k,) funded by cash reserves, to move systems to 'cloud based' platforms. This will future proof the organisation operations and help facilitate homeworking and flexible working. The upgrade has delivered 'back office' revenue savings and will assist in maintaining business operations in the event of further 'lockdowns'.

Trustees' Responsibility Statement

The Trustees, who are also Directors of 1610 Limited for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

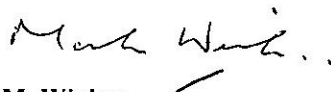
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the Trustees are aware:

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

Authorisation of Financial Statements, Trustees' Report and Strategic Report

The financial statements, which incorporate the Trustees' Report, the Trustees' Responsibilities, and the Strategic Report, were approved by the Board of Trustees on and signed on their behalf by:



M. Winlow
Trustee

14 October 2021

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2021

Opinion

We have audited the financial statements of 1610 Limited (the 'Charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Material uncertainty in relation to going concern

We draw attention to note 1 in the financial statements which indicates that the charitable company faces continued uncertainty regarding the impact of the coronavirus pandemic on the company's operations and therefore results and cash reserves.

As stated in note 1, these events or conditions, along with other matters set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in this matter.

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 auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2021

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the strategic and directors' report).

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

- adequate accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us;
- the charitable company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 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.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2021

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 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:

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the charitable company operates
- the sector in which the charitable company operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

Laws and regulations which are considered to be significant to the charitable company include those relating to the requirements of financial reporting framework FRS102, the Companies Act 2006, the Charities Act 2011, UK tax legislation, employment law and health and safety. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on the operation of the charitable company.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified, and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the charitable company's procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- corroborating our enquiries through review of Board Minutes and correspondence.

1610 Limited
Independent Auditor's Report to the Trustees of 1610 Limited
For the Year Ended 31 March 2021

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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.

Alexandra Shore

Alexandra Shore FCA DChA (Senior Statutory Auditor)
For and on behalf of A C Mole
Chartered Accountants and Statutory Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset TA1 2PX

14th October 2021

A C Mole is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1610 Limited
Statement of Financial Activities (incorporating the Income and Expenditure Account)
For the Year Ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM					
Donations and legacies	3	319,221	-	319,221	169,755
Charitable activities	4	2,021,331	-	2,021,331	2,578,549
Other trading activities	6	13,017	-	13,017	86,706
Investments		144	-	144	548
Other income	5	1,149,084	-	1,149,084	-
Total Income		3,502,797	-	3,502,797	2,835,558
EXPENDITURE ON					
Raising funds	6	16,727	-	16,727	50,479
Charitable activities	7	3,700,969	13,082	3,714,051	2,676,627
Total Expenditure		3,717,696	13,082	3,730,778	2,727,106
Net (expenditure)/income		(214,899)	(13,082)	(227,981)	108,452
Transfer between funds	21	15,296	(15,296)	-	-
Net (expenditure)/income after transfers		(199,603)	(28,378)	(227,981)	108,452
Other recognised (losses)/gains					
Remeasurement of defined benefit pension schemes	22	(336,000)	-	(336,000)	374,000
Net movement in funds		(535,603)	(28,378)	(563,981)	482,452
Total funds brought forward		1,308,699	175,080	1,483,779	1,001,327
Total funds carried forward	21	773,096	146,702	919,798	1,483,779

The results for the period derive from continuing activities and there are no gains or losses other than those shown above.

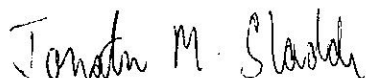
These accounts show the results for the period from 1 April 2020 to 31 March 2021.
The comparative figures show the results for the 6 months ended 31 March 2020.

The notes form part of these financial statements.

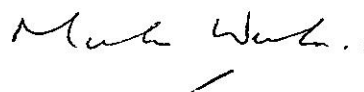
1610 Limited
Balance Sheet (registered no: 06727055)
As at 31 March 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,503,620		1,963,997
Investments	12		<u>1</u>		<u>1</u>
			1,503,621		1,963,998
CURRENT ASSETS					
Stocks	13	20,784		29,694	
Debtors	14	563,829		385,513	
Cash at bank		<u>354,525</u>		<u>410,152</u>	
		939,138		825,359	
CREDITORS					
Amounts falling due within one year	15	<u>(689,548)</u>		<u>(640,192)</u>	
NET ASSETS LESS CURRENT LIABILITIES					
			249,590		185,167
CREDITORS					
Amounts falling due after more than one year	16		(159,413)		(327,386)
PENSION LIABILITY					
	22		(674,000)		(338,000)
			<u>919,798</u>		<u>1,483,779</u>
NET ASSETS					
CAPITAL AND RESERVES					
Unrestricted income funds	20		749,825		1,285,428
Designated funds	20		<u>23,271</u>		<u>23,271</u>
Total unrestricted funds			773,096		1,308,699
Restricted funds	20		146,702		175,080
			<u>919,798</u>		<u>1,483,779</u>
Total Reserves					

The financial statements were approved by the Board of Directors on ~~14 October~~ 2021 and were signed on their behalf by:



J Sladden
TRUSTEE



M Winlow
TRUSTEE

The notes form part of these financial statements.

1610 Limited
Statement of Cashflows
For the Year Ended 31 March 2021

		2021 £	Restated 2020 £
	Note		
Cash flows from operating activities			
Net cash generated by/(used in) operating activities	1	<u>128,742</u>	<u>(28,191)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,035)	(77,309)
Sale of tangible fixed assets		20,897	2,840
Interest received		<u>144</u>	<u>548</u>
Net cash (used in) investing activities		<u>6</u>	<u>(73,921)</u>
Cash flows from financing activities			
Loan repayments		(107,204)	(47,288)
Hire purchase repayments		(127,171)	(90,824)
Cash inflows from new borrowing		<u>50,000</u>	<u>-</u>
Net cash (used in) financing activities		<u>(184,375)</u>	<u>(138,112)</u>
(Decrease) in cash and cash equivalents		(55,627)	(240,224)
Cash and cash equivalents at beginning of year	2	410,152	650,376
Cash and cash equivalents at end of year	2	<u>354,525</u>	<u>410,152</u>

The notes form part of these financial statements.

1610 Limited
Notes to the Statement of Cash Flows
For the Year Ended 31 March 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO CASH GENERATED FROM OPERATIONS

	2021	Restated 2020
	£	£
Net (expenditure)/income	(227,981)	108,452
Net interest expense	13,979	13,580
Depreciation charges	332,910	180,648
Loss/(Profit) on disposal of fixed assets	127,605	(2,840)
Decrease/(Increase) in stocks	8,910	(2,635)
(Increase)/Decrease in debtors	(178,316)	38,856
Increase/(Decrease) in creditors	51,635	(364,252)
Cash generated by/(used in) operations	<u>128,742</u>	<u>(28,191)</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	2021	2020
	£	£
Cash at bank and in hand	10,006	10,584
Short term investments – deposit account	344,519	399,568
	<u>354,525</u>	<u>410,152</u>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

1 ACCOUNTING POLICIES

General information

1610 Limited carries out its objects as noted in the Trustees' annual report. The company is a charitable company and is incorporated and domiciled in the UK. The address of the registered office is Trinity Sports and Leisure, Chilton Street, Bridgwater, Somerset, TA6 3JA.

Accounting Period

These accounts show the results for the 12 month period 1 April 2020 to 31 March 2021. The comparative figures show the results for 6 months from 1 October 2019 to 31 March 2020.

Basis of preparation and statement of compliance

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

1610 Limited meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis, which assumes that the company will have sufficient funds to pay debts as and when they fall due and continue in operation for a period of at least twelve months from the date of authorisation of the financial statements.

As detailed in the Trustees' Report, the COVID 19 pandemic has had a significant impact on the company's operations and measures taken by Government to contain the virus have negatively affected results in the current and subsequent reporting periods.

Having managed the significant operational and financial impacts to date, the trustees and SLT are confident that the Trust has adequate funds to continue in operation for a period of at least 12 months from approval of the financial statements.

The Trustees and SLT have regularly reviewed forecasts which indicate that the company has sufficient cash available to continue to operate and these financial statements have therefore been prepared on a going concern basis.

However, the duration of the COVID 19 crisis still remains unknown and there is continued uncertainty over the potential future impact of the pandemic. The pandemic could have further and continued negative impacts on the company's operations beyond those already forecast and the company may experience further negative results, and cash constraints as a result.

As a result, there is a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern.

1 ACCOUNTING POLICIES - Continued.

Summary of significant accounting policies

The principal accounting policies adopted, critical accounting estimates, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been applied consistently unless otherwise stated.

Income

All income is recognised once the Charity has entitlement to the resources, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Where the criteria for recognition are met in advance of grants actually being received then the income is recognised within the statement of financial activities and amount due included within accrued income in debtors.

Income from grants which relate to the Government's Coronavirus Job Retention Scheme are included within other income, in the period in which the Charity becomes entitled to the income. Where this is in advance of the income being received this is recognised as accrued income within debtors.

Income from change of law payments are included within income from charitable activities in the period in which the Charity becomes entitled to the income. Where this is in advance of the income being received this is recognised as accrued income within debtors.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be fully recovered and is reported as part of support costs.

Raising funds comprises all costs associated with raising additional funds for Charity through vending and other sales.

Charitable activities comprise all costs directly incurred in undertaking activities to fulfil the Charity's objects, together with any support costs allocated in accordance with the support cost accounting policy as described below.

Other expenditure represents those items not falling into any other heading.

Support costs include administration and head office costs not directly attributable to particular charitable activities are apportioned to charitable activities as detailed in note 8 to the financial statements.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

I ACCOUNTING POLICIES - Continued.

Fund accounting

The unrestricted general fund represents the accumulation of the Charity's income and expenditure that has not been earmarked for specific projects and is not considered by the Trustees to be for a restricted purpose. To the extent that the fund is represented by readily realisable assets it provides a means of financing the day-to-day operations.

Designated funds represent amounts set aside by the Trustees for a particular purpose.

Restricted funds represent the funds received by the Charity for particular purposes as directed by the donors.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised on the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Tangible Fixed Assets

Tangible fixed assets costing over £500 are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off the cost less estimate residual value of each asset over its estimated useful life:

Leasehold improvements		-	straight-line over the remaining lease term.
Sports equipment:	- Cardio equipment	-	straight-line over 10 years.
	- Resistance equipment	-	straight-line over 10 years.
All other fixtures and equipment:		-	straight-line over 10 years.
Computer Software		-	straight line over 10 years.

Investments in Subsidiary Undertakings

Investments in subsidiary undertakings are measured at cost and reviewed annually for impairment. On the basis that the subsidiary is not material to the group, consolidated accounts have not been prepared.

Stocks

Stocks and work in progress is stated at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

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

1 ACCOUNTING POLICIES – Continued

Financial instruments

Basic financial assets, including trade and other debtors, cash and bank balances and investments in term deposits, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. Any impairment losses are recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade and other creditors are measured at amortised cost using the effective interest method. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Pension costs and other post-retirement benefits

Defined contribution pension plan

- (a) The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

- (b) The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments (discount rate).

The fair value of plan assets is measured in accordance with FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of financial activities. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement of net defined benefit liability".

The cost of the defined benefit plan, recognised in the profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i) The increase in pension benefit liability arising from employee service during the period; and
- ii) The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in the statement of financial activities as a finance expense.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

1 ACCOUNTING POLICIES - Continued.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Defined benefit pension scheme

- (a) The company has an obligation to pay pensions benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 22 for the disclosures relating to the defined benefit pension scheme.

2 NET (EXPENDITURE)/INCOME

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

	2021	2020
	£	£
Depreciation	332,910	180,648
Auditors remuneration for audit work	13,800	6,602
Auditors remuneration for accountancy services	5,000	3,042
Auditors remuneration for taxation and other services	15,775	13,126
(Profit)/Loss on disposal of fixed assets	127,605	(2,840)
Interest on bank loans	1,787	3,153
Interest on hire purchase	12,336	10,975
Rentals under operating leases – plant and machinery	16,042	15,383

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

3 DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Grants & donations	319,221	-	319,221	169,755	-	169,755
	<u>319,221</u>	<u>-</u>	<u>319,221</u>	<u>169,755</u>	<u>-</u>	<u>169,755</u>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

4 INCOME FROM CHARITABLE ACTIVITIES

	Management Fee £	Change of Law £	Membership £	Sports Activities & Swimming Pool £	Other Income £	2021 Total £	2020 Total £
Devon contract	128,754	236,033	(6,148)	6,868	568	366,075	584,970
BSF contract	128,000	298,513	102,822	126,283	25,055	680,673	815,753
Dorset contract	238,296	359,299	115,786	125,985	16,050	855,416	831,379
Activities	-	-	92,040	3,494	23,633	119,167	346,447
Total 2021	495,050	893,845	304,500	262,630	65,306	2,021,331	2,578,549
Total 2020	263,603	-	1,112,752	912,592	289,602	2,578,549	

5 OTHER INCOME

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Coronavirus Job Retention Scheme	1,149,084	-	1,149,084	-
	<u>1,149,084</u>	<u>-</u>	<u>1,149,084</u>	<u>-</u>

6 OTHER TRADING ACTIVITIES

	Income from Vending and Bar Sales		Raising Funds - Cost of Sales	
	2021 £	2020 £	2021 £	2020 £
Devon contract	214	3,958	5,896	4,608
BSF contract	9,486	70,844	6,741	36,807
Dorset contract	2,923	6,920	1,900	6,309
Activities	394	4,984	2,190	2,755
	<u>13,017</u>	<u>86,706</u>	<u>16,727</u>	<u>50,479</u>
Total Sites	<u>13,017</u>	<u>86,706</u>	<u>16,727</u>	<u>50,479</u>

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs	Premises & Equipment Costs	Onsite Admin Costs	Other Costs	Total Direct Costs	Support Costs (Note 8)	2021 Total	2020 Total
	£	£	£	£	£	£	£	£
Devon contract	487,511	189,336	1,128	927	678,902	112,454	791,356	641,121
BSF contract	542,221	158,947	2,447	4,566	708,181	167,245	875,426	746,039
Dorset contract	610,093	231,684	1,744	-	843,521	165,059	1,008,580	778,771
Activities	303,430	393,591	4,943	4,670	706,634	332,055	1,038,689	510,696
Total 2021	1,943,255	973,558	10,262	10,163	2,937,238	776,813	3,714,051	2,676,627
Total 2020	1,489,173	858,822	138,266	37,357	2,523,618	153,009	2,676,627	

8 SUPPORT COSTS

	Staff Costs	Premises Costs	IT & Office Costs	Legal & Professional Fees	Finance Costs	2021 Total	2020 Total
	£	£	£	£	£	£	£
Devon contract	25,025	63,030	23,391	-	1,008	112,454	24,811
BSF contract	24,211	115,362	26,274	-	1,398	167,245	45,460
Dorset contract	50,049	81,091	30,453	2,021	1,445	165,059	32,813
Activities	659	146,153	79,599	88,663	16,981	332,055	49,925
Total 2021	99,944	405,636	159,717	90,684	20,832	776,813	153,009
Total 2020	21,797	41,085	40,024	31,210	18,893	153,009	

Support costs have been allocated to the contracts on the basis of directly relating to a specific contract or apportioned as follows: Staff costs – based on percentage of income from each contract; Other costs – by number of contracts.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

9 STAFF COSTS

	2021	2020
	£	£
Salaries and Wages	1,881,244	1,391,743
Social security costs	97,675	71,599
Pension costs	64,280	47,628
	<u>2,043,199</u>	<u>1,510,970</u>

One employee's emoluments fell within the band of £110,000 - £119,999 and pension contributions on behalf of this employee amounted to £2,467 for the year. (2020: One employee's emoluments fell within the band of £110,000 - £119,999 and pension contributions on behalf of this employee amounted to £7,400 for the year).

Some employees are members of a defined benefit pension scheme, details of which are provided in note 22.

Key management personnel remuneration is disclosed in note 23.

The average number of employees during the period, analysed by contract, was as follows:

	2021	2020
Devon Contract	71	92
BSF Contract	81	109
Dorset Contract	67	93
Activities	<u>41</u>	<u>112</u>
Total Direct Staff	260	406
Head Office Admin Support	14	15
	<u>274</u>	<u>421</u>

10 TRUSTEES' REMUNERATION

During the period, no remuneration has been paid to the Trustees or any person connected with them (2020: £Nil). No travelling expenses were paid to Trustees (2020: £Nil).

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

11 FIXED ASSETS

	Leasehold Property Improvements	Fixtures and Equipment	Computer Software	Total
	£	£	£	£
Cost				
At 1 April 2020	1,999,459	2,434,206	107,633	4,541,298
Additions	-	18,988	2,047	21,035
Disposals	(442,893)	(488,099)	-	(930,992)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,556,566	1,965,095	109,680	3,631,341
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2020	828,817	1,735,698	12,786	2,577,301
Charge for period	181,694	140,307	10,909	332,910
Eliminated on disposal	(312,145)	(470,345)	-	(782,490)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	698,366	1,405,660	23,695	2,127,721
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 March 2021	858,200	559,435	85,985	1,503,620
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,170,642	698,508	94,847	1,963,997
	<hr/>	<hr/>	<hr/>	<hr/>

Included within fixed assets are assets with a net book value of £216,232 (2020: £329,207) relating to assets held under finance lease agreements. The depreciation charged in the period in respect of assets held under finance lease agreements amounted to £27,591 (2020: £21,120).

12 INVESTMENTS

	Total
	£
Cost	
At 1 April 2020 and at 31 March 2021	<hr/> <u>1</u>
Net Book Value	
At 31 March 2021	<hr/> <u>1</u>
At 31 March 2020	<hr/> <u>1</u>

1610 Limited owns 100% of the subsidiary Incedo Limited. The company was dormant during the period.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

13 STOCKS

	2021	2020
	£	£
Trading stock	20,784	29,694
	<u>20,784</u>	<u>29,694</u>
	<u>20,784</u>	<u>29,694</u>

14 DEBTORS

	2021	2020
	£	£
Trade debtors	162,473	36,422
Other debtors	33,888	33,933
Prepayments	57,022	116,281
Accrued income	303,580	192,011
Amount owed by subsidiary undertaking	6,866	6,866
	<u>563,829</u>	<u>385,513</u>
	<u>563,829</u>	<u>385,513</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	142,833	100,054
Social security and other taxes	130,534	55,059
Finance leases	71,508	137,355
Other creditors	50,743	49,603
Bank loans	7,641	67,984
Accruals	147,861	201,051
Deferred income	138,428	29,086
	<u>689,548</u>	<u>640,192</u>
	<u>689,548</u>	<u>640,192</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Finance leases	77,310	126,298
Deferred income	35,547	159,458
Bank loans	<u>46,556</u>	<u>41,630</u>
	<u>159,413</u>	<u>327,386</u>

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Bank loans		
Amounts falling due within one year	<u>7,641</u>	<u>67,984</u>
Amounts falling due between one and two years	<u>10,000</u>	<u>41,630</u>
Amounts falling due between two and five years	<u>36,556</u>	<u>-</u>

17 SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Creditors: amounts falling due within one year:		
Finance leases	71,508	137,355
Bank loans	7,641	67,984
Creditors: amounts falling due after one year:		
Finance leases	77,310	126,298
Bank loans	<u>46,556</u>	<u>41,630</u>
	<u>203,015</u>	<u>373,267</u>

The finance leases are secured on the related leased assets.

The bank loans are secured by a fixed charge over all plant and machinery and goodwill, owned now or in the future and a floating charge over all other property assets and rights of the company.

18 CONTINGENT LIABILITY

The Charity had guaranteed its payment obligations under a contract for the management of leisure facilities by arranging performance bonds for £90,723 and £70,958. These expired on 31 March 2021.

19 LEASE COMMITMENTS

Hire purchase contracts

Minimum lease payments fall due as follows:

	2021	2020
	£	£
Net obligations repayable:		
Within one year	77,467	137,355
Between one and five years	71,351	126,298
	<hr/>	<hr/>
	148,818	263,653
	<hr/> <hr/>	<hr/> <hr/>

Other operating leases

	2021	2020
	£	£
Non-Cancellable operating leases		
Minimum payments under the leases are as follows:-		
Leases expiring:		
Within one year	9,188	13,715
Between one and five years	6,854	8,719
	<hr/>	<hr/>
	16,042	22,434
	<hr/> <hr/>	<hr/> <hr/>

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long term Liabilities	Pension Liability	Total
	£	£	£	£	£
Restricted Income Funds					
GAP funding	-	1,302	-	-	1,302
Torrige	8,567	-	-	-	8,567
South Molton	136,833	-	-	-	136,833
Total Restricted Funds	145,400	1,302	-	-	146,702
Unrestricted Income Funds					
Trinity Sinking Fund - designated	-	23,271	-	-	23,271
Unrestricted Income Funds	1,358,221	225,017	(159,413)	-	1,423,825
Pension Reserve	-	-	-	(674,000)	(674,000)
Total Unrestricted Funds	1,358,221	248,288	(159,413)	(674,000)	773,096
Total Funds	1,503,621	249,590	(159,413)	(674,000)	919,798

Purposes of Restricted Funds

- GAP funding is for supporting the programme of play schemes in Glastonbury. The money was for purchasing and maintaining equipment to benefit the children.
- Torrige District Council provided funds to improve the facilities at Torrige.
- South Molton provided funds to cover any deficit caused by running this facility.

Purposes of Designated Funds

The Trustees have set aside the following designated fund:

- The Trinity sinking fund – which represents fund set aside in respect of future facilities management services of the Trinity centre.
- The Pension Reserve relates to the defined benefit pension scheme as detailed in note 22.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

21 MOVEMENT IN FUNDS

	Balance as at 1 April 2020	Income	Expenditure	Transfers	Actuarial Loss	Balance as at 31 March 2021
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
South Molton	157,200	-	(5,071)	(15,296)	-	136,833
Torrige	16,578	-	(8,011)	-	-	8,567
Total Restricted Funds	175,080	-	(13,082)	(15,296)	-	146,702
Trinity Sinking Fund - designated	23,271	-	-	-	-	23,271
Unrestricted Income Funds	1,623,428	3,502,797	(3,717,696)	15,296	-	1,423,825
Pension Reserve	(338,000)	-	-	-	(336,000)	(674,000)
Total Unrestricted Funds	1,308,699	3,502,797	(3,717,696)	15,296	(336,000)	773,096
Total Funds	1,483,779	3,502,797	(3,730,778)	-	(336,000)	919,798

22 EMPLOYEE BENEFIT OBLIGATIONS

West Dorset District Council scheme

During the year ended 31 March 2013, 1610 Limited agreed a contract to provide leisure services for West Dorset District Council. Part of this contract included the transfer of employees and their associated pension benefit obligations. As part of the transfer agreement the defined pension obligations in respect of transferred employees became the responsibility of 1610 Limited from 1 October 2012. These pension scheme obligations at the balance sheet date showed a deficit of £674,000 (2020: £378,000).

The employer contributions expected to be paid to WDCC scheme during the period ending 31 March 2021 are £3,000.

The assets of this defined benefit scheme are held separately from those of the company and comprise segregated funds of the Dorset County Council Pension Fund in respect of pension benefits provided by the Local Government Pension Scheme (LGPS) to employees of 1610 Limited. The LGPS is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2014. It is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. The scheme is now closed to new members.

Contributions are set every three years as a result of the actuarial valuation of the Funds required by the Regulations. The most recent full valuation was 31 March 2021. The next actuarial valuation of the Funds will be carried out as at 31 March 2022 and will set contributions for the period from 1 October 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The company does not operate any unfunded schemes.

22 EMPLOYEE BENEFIT OBLIGATIONS – continued

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

	2021 Total £	2020 Total £
Defined benefit scheme:		
Current service cost	6,000	5,000
Total charge in operating profit	<u>6,000</u>	<u>5,000</u>
Defined benefit scheme:		
Net interest expense	7,000	7,000
Total charge	<u>13,000</u>	<u>12,000</u>

Defined Benefit Pension Plans

	2021 Total £	2020 Total £
Present value of funded obligations	(1,385,000)	(916,000)
Fair value of plan assets	711,000	578,000
Pension fund liabilities	<u>(674,000)</u>	<u>(338,000)</u>

The principal actuarial assumptions at the balance sheet date were:

	2021	2020
Discount rate	2.1%	2.4%
Future salary increases	2.8%	1.8%
Future pension increases	2.8%	1.8%
Consumer Price Index price increase	2.8%	1.8%
Retail Price Index price increase	3.1%	2.6%

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

22 EMPLOYEE BENEFIT OBLIGATIONS - continued

Mortality

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 90% for males and 100% for females. These base tables are then projected using the CMI 2020 Model, with an allowance for future longevity improvement of 1.25% per annum, smoothing parameter of 7.5%, an initial addition parameter of 0.5%pa and a 2020 weighing of 25%. The 2020 weight parameter reflects the exceptional mortality due to the coronavirus pandemic. The effect on assumed life expectancies is demonstrated in the table below.

The average life expectancy in years for a member from the age of 65 are:

		2021	2020
		(years)	(years)
Retiring today:	Males	23.1	23.3
	Females	24.6	24.7
Retiring in 20 years	Males	24.4	24.7
	Females	26	26.2

Demographic / statistical assumptions:

A set of demographic assumptions that are consistent with those used for the most recent fund valuation as at March 2021 were adopted.

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£000	£000	£000
At 1 April 2020	578	(916)	(338)
Benefits paid	(7)	7	-
Employer contributions	2	-	2
Contributions by scheme participants	1	(1)	-
Current service cost	-	(6)	(6)
Interest income/(expense)	14	(21)	(7)
<u>Remeasurement gains/(losses)</u>			
Actuarial gains	-	(448)	(448)
Return on plan assets excluding interest income	123	-	123
At 31 March 2021	711	(1,385)	(674)

22 EMPLOYEE BENEFIT OBLIGATIONS – continued

The fair value of the major categories of scheme assets are as follows:

	Defined Benefit Pension	
	Plans-Total	
	2021	2020
	£000	£000
Equities	389	288
Liability Driven Investment	81	66
Other Bonds	158	146
Property	67	66
Cash	16	12
	711	578
	711	578

The return on plan assets was:

	2021	2020
	£000	£000
Interest income	14	6
Return on plan assets less interest income	123	(116)
Total return on plan assets	137	(110)
	137	(110)

23 RELATED PARTY TRANSACTIONS

During the year the company paid for goods and services on behalf of Incedo Limited, a wholly owned subsidiary, to the value of £Nil (2020 £903). A balance of £6,866 (2020: £6,866) was owing from Incedo Limited at the balance sheet date.

The key management of the charity comprise the Chief Executive Officer and the Senior Leadership Team. The total employee benefits of the key management personnel were for the year £263,914 (2020: £143,712 for the 6 month period).

24 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no authorised or issued share capital. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

25 ULTIMATE CONTROLLING PARTY

As a company limited by guarantee, the company is not under the control of any one individual. All decisions are taken by the Board of Directors who are the members of the company.

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

26 COMPARATIVE INFORMATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
INCOME FROM			
Donations and legacies	169,755	-	169,755
Charitable activities	2,578,549	-	2,578,549
Other trading income	86,706	-	86,706
Investments	548	-	548
	<hr/>	<hr/>	<hr/>
Total	2,835,558	-	2,835,558
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON			
Raising funds	50,479	-	50,479
Charitable activities	2,673,177	3,450	2,676,627
	<hr/>	<hr/>	<hr/>
Total	2,723,656	3,450	2,727,106
	<hr/>	<hr/>	<hr/>
Net income/(expenditure)	111,902	(3,450)	108,452
Transfers	13,945	(13,945)	-
Remeasurement of net defined benefit liability	374,000	-	374,000
	<hr/>	<hr/>	<hr/>
Net Movement in funds	499,847	(17,395)	482,452
	<hr/>	<hr/>	<hr/>
Total funds brought forward	808,852	192,475	1,001,327
	<hr/>	<hr/>	<hr/>
Total funds carried forward	1,308,699	175,080	1,483,779
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

26 COMPARATIVE INFORMATION (Continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 MARCH 2020

	Tangible Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Pension Liability £	Total £
Restricted Income Funds					
GAP Funding	-	1,302	-	-	1,302
Torrige	16,578	-	-	-	16,578
South Molton	142,512	14,688	-	-	157,200
Total Restricted Funds	159,090	15,990	-	-	175,080
Unrestricted Income Funds					
Trinity Sinking Fund – Designated	-	23,271	-	-	23,271
Unrestricted Income Funds	1,804,908	145,906	(327,386)	-	1,623,428
Pension Reserve	-	-	-	(338,000)	(338,000)
Total Unrestricted Funds	1,804,908	169,177	(327,386)	(338,000)	1,308,699
Total Funds	1,963,998	185,167	(327,386)	(338,000)	1,483,779

1610 Limited
Notes to the Financial Statements
For the Year Ended 31 March 2021

26 COMPARATIVE INFORMATION (Continued)

MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2020

	Balance as at 1 April 2019	Income	Expenditure	Actuarial Gain	Transfers	Balance as at 31 March 2020
	£	£	£	£	£	£
GAP funding	1,302	-	-	-	-	1,302
South Molton	171,145	-	-	-	(13,494)	157,200
Torrige	20,028	-	(3,450)	-	-	16,578
Total Restricted Funds	192,475	-	(3,450)	-	(13,945)	175,080
Trinity Sinking Fund - designated	23,271	-	-	-	-	23,271
Unrestricted Income Funds	1,497,581	2,835,558	(2,723,656)	-	13,945	1,623,428
Pension Reserve	(712,000)	-	-	374,000	-	(338,000)
Total Unrestricted Funds	808,852	2,835,558	(2,723,656)	374,000	13,945	1,308,699
Total Funds	1,001,327	2,835,558	(2,727,106)	374,000	-	1,483,779

26 POST BALANCE SHEET EVENTS

- **Emergence from lockdown – April -July 2021**
As of March 31, 2021, sites remain closed. The Government COVID Roadmap set out a re-opening timetable for UK Business scheduled for completion in June 2021. This is now in place and all ten 1610 operated facilities are back in operation – some with reduced opening.
- **Business Return**
1610 has seen substantial parts of business return since re-opening in April 2021. The key area of Swim programme has experienced up to 80% return of members within three months. Fitness membership return has been approximately 65% of business return within the first 3 months of full re-opening
- **Cashflow**
The Trust cashflow position and cash reserves have been stabilised and are now replenished. Reserves are back at pre-COVID levels with approximately £760,000 available as at 7 October 2021.
- **National Leisure Recovery Fund**
1610 has secured NLRFF funding for Caryford, South Molton and Trinity leisure sites. Additional funding for Devon sites and Dorchester has been secured by partner Councils. These Sport England awards are helping to underpin the slow re-opening of sites, programmes, and individual business areas such as Cafes.
- **Workforce & Recruitment**
1610 is now operating with a workforce of 192 staff – down from 379 staff in May 2020. As with many UK businesses in the first 6 months of 2021/22 1610 has faced very challenging condition in the labour market. This has had a detrimental impact on the re-opening and re-growth of the business. 1610 fully exited the Furlough scheme at the end of June 2021.

COVID related illness still presents business risks across all sites

- **Financial Performance**
The Trust has been able to move back in to profit during the first six months of re-opening and re-launching business activity. It has also been possible to settle delayed Lockdown related payments to suppliers, HMRC and funders leaving 1610 in a stronger financial position to face any further challenges from COVID 19. Savings in revenue that have been outlined in this strategic report are helping to underpin the return to profitability
- **Dorset Council Leisure Contract**
The Trust has been asked to consider if it will accept a 5-month contract extension for the management of Dorchester Leisure Centre. This extends the contract from October 2022 to March 2023
- **Torrige District Council Leisure Contract**
The Council has confirmed that it is intending to move the leisure operations in Torrige back to an ‘inhouse’ model at the end of the ten-year contract period – April 2022
- **ICT Upgrade**
1610 has completed a major ICT infrastructure upgrade (£40k,) funded by cash reserves, to move systems to ‘cloud based’ platforms. This will future proof the organisation operations and help facilitate homeworking and flexible working. The upgrade has delivered ‘back office’ revenue savings and will assist in maintaining business operations in the event of further ‘lockdowns’

These are all considered to be non-adjusting post balance sheet events for the purpose of these financial statements. Depending on the duration of the COVID 19 crisis the company could experience further negative results, and cash constraints. These are considered in note 1 to the financial statements in relation to Going concern.