

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)

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1610 Limited
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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.

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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.

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- 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.

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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.

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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% pf 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.

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- **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.

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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.

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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.

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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.

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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

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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.

- **Torridge District Council Leisure Contract**

The Council confirmed that it is intended to move their leisure operations in Torridge 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.

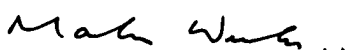
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

		Unrestricted Funds	Restricted Funds	Total Funds 2022	Restated Total Funds 2021
	Note	£	£	£	£
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

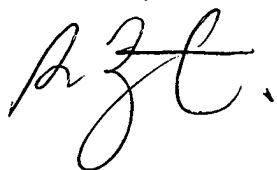
The results for the period derive from continuing activities and there are no gains or losses other than those shown above.

The notes form part of these financial statements.

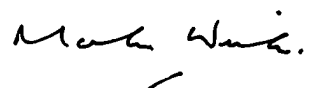
1610 Limited
Balance Sheet (registered no: 06727055)
As at 31 March 2022

		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~~ 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		-	50,000
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.

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/>

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/>
Total 2021	495,050	893,845	304,500	262,630	65,306
	<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
Total Sites	76,190	13,017	55,062	16,727

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs	Premises & Equipment Costs	Onsite Admin Costs	Other Costs	Total Direct Costs	Si (f
	£	£	£	£	£	
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.

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
	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>
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/> 1 <hr/>
Net Book Value	
At 31 March 2022	<hr/> 1 <hr/>
At 31 March 2021	<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 2022

12 STOCKS

	2022	2021
	£	£
Trading stock	15,679	20,784
	<hr/>	<hr/>
	15,679	20,784
	<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/>

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/>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Finance leases	9,509	77,310
Deferred income	-	35,547
Bank loans	37,271	46,556
	<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	37,271	46,556
	<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
Torridge	556	-	-	-	556
South Molton	131,132	-	-	-	131,132
Total Restricted Funds	131,688	1,302	-	-	132,990
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)
Total Unrestricted Funds	1,120,769	582,279	(46,780)	(528,000)	1,128,268
Total Funds	1,252,457	583,581	(46,780)	(528,000)	1,261,258

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.

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.

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
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

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 Total £	2021 Total £
Defined benefit scheme:		
Current service cost	10,000	6,000
Total charge in operating profit	<u>10,000</u>	<u>6,000</u>
Defined benefit scheme:		
Net interest expense	13,000	7,000
Admin expenses	1,000	-
Total charge	<u>24,000</u>	<u>13,000</u>

Defined Benefit Pension Plans

	2022 Total £	2021 Total £
Present value of funded obligations	(1,307,000)	(1,385,000)
Fair value of plan assets	779,000	711,000
Pension fund liabilities	<u>(528,000)</u>	<u>(674,000)</u>

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/>

The return on plan assets was:

	2022	2021
	£000	£000
Interest income	15	14
Return on plan assets less interest income	<hr/> 57	<hr/> 123
Total return on plan assets	<hr/> 72	<hr/> 137
	<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
Total	3,502,797	-	3,502,797
EXPENDITURE ON			
Raising funds	16,727	-	16,727
Charitable activities	3,700,969	13,082	3,714,051
Total	3,717,696	13,082	3,730,778
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)
Net Movement in funds	(535,603)	(28,378)	(563,981)
Total funds brought forward	1,308,699	175,080	1,483,779
Total funds carried forward	773,096	146,702	919,798

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.