

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
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For the Year Ended 31 March 2024

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Reference and Administrative Information
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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 direct 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 a 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.

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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.

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- 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.

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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.

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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.

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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

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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.

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- 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.

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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).

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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.

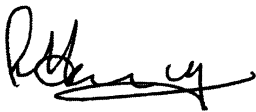
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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Independent Auditor's Report to the Trustees of 1610 Limited
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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		<u>1,302</u>		<u>1,302</u>
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	41,255	(248,077)

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
	476,905	430,550

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.

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

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

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 Sales		Raising Funds - Cost of 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
Total Sites	145,641	141,352	76,427	92,018

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/>

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/>

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
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)
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
At 31 March 2023	297,729	214,363	85,222	597,314

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	1
Net Book Value	
At 31 March 2024	1
At 31 March 2023	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
	<hr/>	<hr/>
	10,940	7,289
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	135,150	94,723
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	482,883	471,255
	<hr/>	<hr/>

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.

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/>

Non-Cancellable operating leases

Minimum payments under the leases are as follows:-

Leases expiring:

Within one year

Between one and five years

Other operating leases	
2024	2023
£	£
719	2,738
-	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 Total £	2023 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/>

Defined Benefit Pension Plans

	2024 Total £	2023 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/>

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%

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/>

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/>

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.

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
Total	3,273,259	17,952	3,291,211
EXPENDITURE ON			
Raising funds	92,018	-	92,018
Charitable activities	3,945,199	81,688	4,026,887
Reorganisation costs	186,477	-	186,477
Total	4,223,694	81,688	4,305,382
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
Net movement in funds	(333,483)	(131,688)	(465,171)
Total funds brought forward	983,532	132,990	1,116,522
Total funds carried forward	650,049	1,302	651,351

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)	-
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	1,488,261	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

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.