

Company registration number: 07555631

Charity registration number: 1145613

Trilogy Active Ltd

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Trilogy Active Ltd

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Trilogy Active Ltd

Reference and Administrative Details

Trustees	S Adams
	R Collar
	R Noorullah
	K McFadyen
	A K Ellis
	I P Taylor
	S Scales
Secretary	R J Austin
Members	M T Sawyer
	Northamptonshire Chamber of Commerce
	Northampton General Hospital
	Northamptonshire Sport
	Voluntary Impact Northamptonshire
	Duston Parish Council
	Northamptonshire County Cricket Club
	University of Northampton
	West Northamptonshire Council
	Age UK Northamptonshire
Senior Management	Connected Together CIC (formerly Healthwatch Northamptonshire CIC)
	J Fletcher, Managing Director
Charity registered number	1145613
Company registration number	07555631
Registered Office	Unity House 78 Robert Street Northampton NN1 3BJ
Auditor	Hawsons Chartered Accountants Jubilee House 32 Duncan Close Moulton Park Northampton NN3 6WL
Bankers	HSBC St Clair House 5 Old Bedford Road Northampton Northamptonshire NN4 7AA

Trustees' Report for the Year Ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the charitable company and group for the period from 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company and group qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

'Inspiring Active Lifestyles'

The Trust has set itself five priorities:

- To create and deliver initiatives for the improvement of health & wellbeing across the geographical area we serve.
- To improve on the social impact and value of our services.
- To continuously improve customer service and journey by delivering high quality services and facilities. To generate income and surpluses to allow us to invest, improve and increase our leisure offer.
- To enhance our skilled and motivated workforce.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Achievements and performance

The Trust has performed well for the year in question. We have continued to recover our membership base following Covid and continue to maintain strict control over expenditure. As a result we have been able to deliver one of the best years in terms of financial surplus. We have now recovered all of the losses we incurred during Covid and our reserves are now greater than the £600,000 level as set out in our strategy.

c. Main activities undertaken to further the charitable company's purposes for the public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when deciding on the activities Trilogy Active Ltd provides. Trilogy Active Ltd provides public benefit in the following ways:

- To promote for the public benefit the provision of facilities for recreation or other leisure time occupation for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life.
- To advance health for the public benefit by promoting participation in healthy exercise and physical activity.
- To advance education in the arts for the public benefit in particular but not exclusively by the maintenance and management of a cinema.

Achievements and performance

a. Key performance indicators

Before accounting adjustments for pensions, the group delivered a surplus for the year of £447,859. This was driven by the following;

- A detailed review of our cost base which resulted in us reducing our staffing costs by almost £1m from our pre-covid level without the need for any compulsory redundancies.
- By focusing on our core income streams we were able to bring back our members much quicker than expected.
- Expanding our business through the purchase of a soft play company called Hickory Dickory's Limited.
- We kept a close eye on all expenditure, adopting an essential spend only policy.

Trustees' Report for the Year Ended 31 March 2024 (continued)

Achievements and performance (continued)

b. Review of activities

We continue to develop and enhance our facilities to improve the customer experience. The year ending 31 March 2024 was primarily focused on getting the business back to pre-pandemic levels and expanding the number of facilities we operate. On the 1st December 2023 we completed the purchase of Hickory Dickory's Limited and on 31st March 2024 we transferred this business into Trilogy Active.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company and group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The reserves policy for the Trust sets out the cash target level of reserves of £600,000. This figure is made up of two key components namely;

- £300,000 being the amount needed to manage fluctuations in cash flow.
- £300,000 being the amount needed to manage unforeseen expenditure or drops in income.

We currently do not set aside any amounts to meet future expenditure as this can all be funded by ongoing revenue. It is though part of our strategy to develop a new reserve of up to £400,000 so that we can take advantage of opportunities as they come about.

As at 31 March 2024 the value of cash reserves held was £1,558,025 (2023 - £1,746,879).

Structure, governance and management

a. Constitution

The Company is registered as a charitable company limited by guarantee (company number: 07555631), governed by Memorandum and Articles of Association and was set up by a Trust deed in 2012.

The company is constituted under a Trust deed and is a registered charity and holds the registration number 1145613.

The principal object of the company is to operate for public benefit, facilities and services for leisure and recreation and be sustainable.

The charitable company operates under the name 'Northampton Leisure Trust'.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

c. Policies adopted for the induction and training of Trustees

Trustees are appointed and their conduct governed by the charitable company's Articles of Association and Code of Conduct. New Trustees are recruited through local advertisements and any appointment would be based on an assessment of the required abilities and, if appropriate, specialist skills required by the board. All current Trustees have received training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the Business Plan and financial monitoring of the charitable company's performance. Any new Trustee(s) will receive a commensurate level of training in accordance with the Trustee induction policy. None of the Trustees receive remuneration or other benefit from their work with the charitable company.

Trustees' Report for the Year Ended 31 March 2024 (continued)

Structure, governance and maintenance (continued)

d. Pay policy for senior staff

The remuneration of the Managing Director and the Finance Director is considered by a Remuneration Committee. Other permanent staff are remunerated using an evaluation model promoted by the Joint Negotiating Council. Where this is not appropriate, market rates are applied. Remuneration is based on a combination of market rates, performance and the need to retain key members of staff.

e. Organisational structure and decision making

The Board of Trustees, which can contain up to 15 members, administers the charitable company. The board meets on a bi monthly basis and there are the following sub committees:

- Audit Committee.
- Remuneration Committee.

The Managing Director and the Finance Director are appointed by the Trustees to manage the day to day operations of the charitable company. To facilitate effective operations the Managing Director and the Finance Director have delegated authority, within the terms of delegation approved by the Trustees, for all operational and administrative functions including finance, HR and IT.

f. Risk management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the charitable company and group may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charitable company and group should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charitable company and group. Particular attention has focused on financial risk with regard to the FRS102 pension liability, assessing Trilogy Active Ltd's exposure to its facilities repair and maintenance costs, the monthly monitoring of trading performance together with an assessment of the key performance indicators and the implementation of a prudent reserves policy.

Non financial risk is also regularly assessed with regard to company operations and ensuring continued usage of facilities through capital investment strategy and operational activity reviews. In particular, work has been undertaken to identify and mitigate health and safety issues within operational areas. This approach to risk management has resulted in better emergency procedures and contingency plans and has given the impetus for better planning and service delivery.

Plans for future periods

Our strategy as a company and group is to work with all our partners in health and local government to improve the wellbeing for the people in the areas we work. To do this we recognise the need to train and develop our staff as well as developing the products and services we offer. A key part of our strategy is to ensure that everyone has access to activities and to remove any historic barriers that prevented their participation.

We are conscious that our main contract with West Northamptonshire Council expires on 31 March 2026. West Northamptonshire Council have advised that they do not intend to honour the agreement reached with Northampton Borough Council to extend the contract until 31 March 2041. Instead they intend to go through a competitive tendering process. We will of course do all we can to retain the contract without taking on any undue financial risks. In order to ensure that the company remains financially viable in the event that we do not retain the Northampton contract, our strategy is to use the surpluses we have generated to grow the business through acquisitions and new facilities. We are in negotiation to purchase a soft play business that operate two separate sites as well as a deal that would see us take control of a single site charitable leisure company.

Funds held as custodian

There are no funds held as Custodian.

Trustees' Report for the Year Ended 31 March 2024 (continued)

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of a regular consultative committee and of staff meetings and have been kept informed on specific matters directly by management. The Company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The charitable company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy.
- Volunteers' policy.
- Health & safety policy.

In accordance with the charitable company's equal opportunities policy, the charitable company has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the charitable company's offices.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Trilogy Active Ltd

Trustees' Report for the Year Ended 31 March 2024 (continued)

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

During the year, Hawsons Chartered Accountants were appointed as auditors. A resolution to reappoint Hawsons Chartered Accountants as independent auditor will be proposed at the next Annual General Meeting.

The strategic report was approved by the trustees of the charitable company on^{19/11/2024} and signed on its behalf by:



.....
S Adams
Trustee

Independent Auditor's Report to the Members of Trilogy Active Ltd

Opinion

We have audited the financial statements of Trilogy Active Ltd (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Opinion on other matter 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 Trustee's Report and for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustee's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, 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.

Independent Auditor's Report to the Members of Trilogy Active Ltd (continued)

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.

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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:

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

In addition to this, we have also identified the following principal risk areas:

- Income recognition - there are two components to this risk, being income completeness and cut-off;
- Allocation of funds - there is a risk that income and expenditure has not been used for its designated purpose;
- Going concern - there is a risk that management's use of the going concern assumption may not be appropriate;
- Defined benefit pension asset valuation - there is a risk of the valuation of the pension asset being misstated as amounts disclosed are based on management's accounting estimate;
- Opening balances - as this is the first year in which we have audited the group, there is a risk that opening balances are materially misstated.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with regards to the defined benefit pension scheme assets within the group;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Performing cut-off procedures on income around the balance sheet date in order to gain assurance that income has been recorded in the accounting period to which it relates;
- Robustly challenging management's assessment of going concern;
- Reviewing the prior year audit files of the previous auditors.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Trilogy Active Ltd

Independent Auditor's Report to the Members of Trilogy Active Ltd (continued)

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Hawsons

.....
Will Amos (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

19/11/2024
Date:.....

Trilogy Active Ltd

Consolidated Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Total 2024 £	Total 2023 £
Incoming resources				
Charitable activities	2	7,843,870	7,843,870	5,991,507
Trading subsidiaries	3	505,737	505,737	-
Other income	4	39,789	39,789	94,844
Total Incoming resources		<u>8,389,396</u>	<u>8,389,396</u>	<u>6,086,351</u>
Resources expended				
Charitable activities	5	(8,000,992)	(8,000,992)	(5,973,964)
Trading subsidiaries	6	<u>(304,006)</u>	<u>(304,006)</u>	<u>-</u>
Total expenditure		<u>(8,304,998)</u>	<u>(8,304,998)</u>	<u>(5,973,964)</u>
Net incoming resources		84,398	84,398	112,387
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	18	(297,328)	(297,328)	146,328
Negative goodwill credit	21	<u>363,461</u>	<u>363,461</u>	<u>-</u>
Net movement in funds		150,531	150,531	258,715
Reconciliation of funds				
Total funds brought forward		<u>2,487,489</u>	<u>2,487,489</u>	<u>2,228,774</u>
Total funds carried forward	22	<u><u>2,638,020</u></u>	<u><u>2,638,020</u></u>	<u><u>2,487,489</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 22.

Trilogy Active Ltd

(Registration number: 07555631)
Consolidated Balance Sheet as at 31 March 2024

		31 March 2024	31 March 2023
	Note	Group £	Company £
Fixed assets			
Intangible assets	10	683,165	52,794
Tangible assets	11	5,732,609	679,071
Investments	12	-	-
		<u>6,415,774</u>	<u>731,865</u>
Current assets			
Stocks	13	39,697	26,319
Debtors	14	289,665	200,211
Cash at bank and in hand	15	1,558,025	1,746,879
		<u>1,887,387</u>	<u>1,973,409</u>
Creditors: Amounts falling due within one year	16	<u>(2,017,720)</u>	<u>(678,807)</u>
Net current (liabilities)/assets		<u>(130,333)</u>	<u>1,294,602</u>
Total assets less current liabilities		6,285,441	2,026,467
Creditors: Amounts falling due after more than one year	17	<u>(4,200,421)</u>	<u>(258,306)</u>
Net assets excluding pension liability		2,085,020	1,768,161
Pension scheme asset	18	<u>553,000</u>	<u>719,328</u>
Net assets including pension liability		<u>2,638,020</u>	<u>2,487,489</u>
Charity funds:			
Unrestricted income funds			
Unrestricted funds		<u>2,638,020</u>	<u>2,487,489</u>
Total charity funds	22	<u>2,638,020</u>	<u>2,487,489</u>

The financial statements on pages 10 to 31 were approved by the trustees, and authorised for issue on 19/11/2024 and signed on their behalf by:

S Adams
Trustee

Trilogy Active Ltd

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net income for the year (as per Statement of Financial Activities)		150,531	112,387
Adjustments to cash flows from non-cash items			
Depreciation	6	272,317	236,445
Amortisation	6	32,135	-
Actuarial losses on defined benefit pension schemes		297,328	-
Gain on bargain purchase - amortisation	12	(363,461)	-
		<u>388,850</u>	<u>348,832</u>
Working capital adjustments			
(Increase)/decrease in stocks	13	(9,444)	3,609
Increase in debtors	14	(3,484)	(88,577)
Increase/(decrease) in creditors	16	196,010	(41,613)
Defined benefit pension scheme movements	18	-	180,000
Net cash flows from operating activities		<u>571,932</u>	<u>402,251</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	10	(29,586)	(42,009)
Purchase of tangible fixed assets	11	(147,324)	(89,802)
Acquisition of investments in subsidiary undertakings	12	(479,956)	-
Net cash flows from investing activities		<u>(656,866)</u>	<u>(131,811)</u>
Cash flows from financing activities			
Repayment of loans and borrowings	16	(70,069)	-
Repayment of capital element of finance leases and HP contracts	19	(33,851)	-
Net cash flows from financing activities		<u>(103,920)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(188,854)	270,440
Cash and cash equivalents at 1 April		<u>1,746,879</u>	<u>1,476,439</u>
Cash and cash equivalents at 31 March		<u><u>1,558,025</u></u>	<u><u>1,746,879</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material to the charitable company's affairs.

Statutory information

Trilogy Active Ltd is a private company limited by guarantee and registered in England and Wales. The address of its registered office is Unity House, 78 Robert Street, Northampton, NN1 3BJ.

Summary of significant accounting policies and key accounting estimates

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

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Trilogy Active Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charitable company and its subsidiary undertakings drawn up to 31 March 2024.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charitable company generated a deficit for the financial year of £839,195 (2023 - surplus of £258,715). This result is after an impairment charge of £871,671 in relation to a new subsidiary acquired during the year; at the 2024 balance sheet date the trade and assets of this subsidiary were transferred to the parent charity. See note 12 for more details.

A subsidiary is an entity controlled by the charitable company. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill. When the aggregate fair value of the acquired assets exceeds the consideration paid for the business, the balancing excess amount is recorded as negative goodwill. In line with FRS102, negative goodwill is matched with the fair value of non-monetary assets purchased. The negative goodwill credit is then released to the Statement of Financial Activities over the period in which the assets are recovered through use (depreciation) or sale.

Inter-company transactions, balances and unrealised gains on transactions between the charitable company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

1 Accounting policies (continued)

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Cash flow exemption

The charitable company is exempt from preparing a Statement of Cash Flows under Section 7 of Financial Reporting Standard 102, as its included within the consolidation of a group where the parent company prepares publicly available financial statements.

Going concern

The trustees have not identified any material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern. The charitable company's business activities, together with the factors likely to affect its future development, performance and position, its cash flows and liquidity position have been assessed. The charitable company has sufficient financial resources together with long-term contracts for all of its trading centres. The Trustees understand that the transactions that are required to be placed in the financial statements in relation to the pension fund are prepared in accordance with assumptions set by FRS 102 and produce a materially different set of figures than those produced by the pensions fund actuary for the purposes of calculating the actual share of assets and liabilities as well as those used to assess contribution levels. The Trustees also understand that, in accordance with the laws and regulations surrounding the operation of the pension fund, the recovery of any difference between the assets and liabilities on the fund will be agreed and set at each triennial valuation and are based on a 20 year recovery period. As a consequence, the Trustees believe that the charitable company is well placed to manage its business risk successfully.

Based on these assessments and having regard to the resources available to the charitable company, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Income and endowments

Membership fees

Membership fees are amounts payable to Trilogy Active Ltd on a monthly basis for usage of the leisure facilities. Details of the various membership categories and the benefits they offer can be found on our website at www.trilogyleisure.co.uk.

Grants receivable

Grants are accounted for when conditions to entitlement have been met.

Centre fees

Centre fees are amounts payable to Trilogy Active Ltd on a visit-by-visit bases for usage of the leisure facilities. Details of opening times, activity tables and charges are all available on our website.

Management fees

Management fees are the fees paid by West Northamptonshire Council for the operation of the facilities and the provision of a Sport and Play Development service.

Investment income

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

1 Accounting policies (continued)

Revenue from trading subsidiary

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit for a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on the basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the proportion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the entity's identifiable assets and liabilities.

Negative goodwill

Negative goodwill arising on the acquisition of an entity occurs as the aggregate fair value of the acquired assets exceeds the consideration paid for the business. The negative goodwill is matched with the fair value of the non-monetary assets purchased to create a negative goodwill credit. The credit is released to the Statement of Financial Activities over the period in which the assets are recovered through use or sale.

Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	5 years
Goodwill	10 years

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

1 Accounting policies (continued)

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	5 - 25 years
Plant and machinery	5 - 10 years
Motor vehicles	5 years
Office equipment, fixtures and fittings	5 - 10 years
Computer equipment	5 - 8 years
Sports equipment	5 - 7 years

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

1 Accounting policies (continued)

Fund structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

Hire purchase and finance leases

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

Pensions and other post retirement obligations

The Group operates a defined contribution pension scheme and the pension charge represents the amount payable by the Group to the fund in respect of the year.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2024.

Financial instruments

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

Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

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

The present value of the defined benefit pension scheme depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension asset or liability.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Income from charitable activities

	Unrestricted fund £	Total 2024 £	Total 2023 £
Membership fees	4,145,306	4,145,306	3,843,179
Centre fees	1,577,828	1,577,828	1,486,424
Sales	552,241	552,241	513,441
Commission	4,823	4,823	4,347
Miscellaneous income	665,083	665,083	144,116
Swimming pool	140,834	140,834	-
Health & fitness suite	314,402	314,402	-
Other indoor and outdoor facilities	137,542	137,542	-
Non-specific income from AVBC	182,213	182,213	-
Non-specific income from members	92,096	92,096	-
Other funding	31,502	31,502	-
	<u>7,843,870</u>	<u>7,843,870</u>	<u>5,991,507</u>

3 Income from trading subsidiaries

	Unrestricted fund £	Total funds 2024 £	Total 2023 £
Revenue	485,642	485,642	-
Bar and cafe income	20,095	20,095	-
	<u>505,737</u>	<u>505,737</u>	<u>-</u>

4 Other income

	Unrestricted fund £	Total 2024 £	Total 2023 £
Kings Heath Active England project	-	-	1,125
Grant income	39,789	39,789	93,719
	<u>39,789</u>	<u>39,789</u>	<u>94,844</u>

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

5 Expenditure on charitable activities

	Unrestricted funds £	2024 £	2023 £
Operational staff costs	3,207,724	3,207,724	2,880,064
Purchases	2,539,502	2,539,502	1,751,216
Staff costs - HQ staff costs	927,257	927,257	627,783
Bank charges	42,961	42,961	29,826
Insurance	58,662	58,662	56,608
Irrecoverable VAT	210,496	210,496	212,881
Other costs	682,216	682,216	395,949
Governance costs	44,347	44,347	19,637
Premises costs	287,827	287,827	-
	<u>8,000,992</u>	<u>8,000,992</u>	<u>5,973,964</u>

6 Expenditure from trading subsidiaries

	Unrestricted fund £	Total 2024 £
Other resources expended	219,144	219,144
Bar and cafe running costs	84,862	84,862
	<u>304,006</u>	<u>304,006</u>

7 Auditors' remuneration

	2024 £	2023 £
Audit of the Company's annual accounts	15,450	17,250
All other non-audit services	1,500	2,500
	<u>16,950</u>	<u>19,750</u>

8 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	3,867,632	3,003,802
Social security costs	236,081	199,408
Pension costs	31,268	304,637
	<u>4,134,981</u>	<u>3,507,847</u>

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

8 Staff costs (continued)

The average number of persons employed by the group during the year was as follows:

	2024	2023
	No	No
Management and administration	19	17
Operational	312	282
	<u>331</u>	<u>299</u>

The total employee benefits of the key management personnel of the charitable company were £261,317 (2023 - £279,782). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the Managing Director, the Finance Director, the Director of performance, Planning Development and Operations and the Director of Health an Wellbeing Development Operations.

The number of employees whose emoluments fell within the following bands was:

	2024	2023
	No	No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1

9 Trustees remuneration and expenses

During the year, no trustees, nor any persons connected with them, have received any remuneration or benefits from the group.

During the year, the amount of expenses paid to trustees totalled £Nil (2023 - £Nil).

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

10 Intangible fixed assets

Group

	Goodwill £	Computer software £	Total £
Cost			
At 1 April 2023	-	83,462	83,462
Additions	-	29,586	29,586
Arising on acquisitions	632,920	-	632,920
At 31 March 2024	632,920	113,048	745,968
Amortisation			
At 1 April 2023	-	30,668	30,668
Charge for the year	21,097	11,038	32,135
At 31 March 2024	21,097	41,706	62,803
Net book value			
At 31 March 2024	611,823	71,342	683,165
At 31 March 2023	-	52,794	52,794

Charitable company

	Goodwill £	Computer software £	Total £
Cost			
At 1 April 2023	-	83,462	83,462
Additions	-	29,586	29,586
At 31 March 2024	-	113,048	113,048
Amortisation			
At 1 April 2023	-	30,668	30,668
Charge for the year	-	11,038	11,038
At 31 March 2024	-	41,706	41,706
Net book value			
At 31 March 2024	-	71,342	71,342
At 31 March 2023	-	52,794	52,794

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

11 Tangible fixed assets

Group

	Leasehold improvements £	Other fixed assets £	Leisure centre complex £	Freehold land £	Total £
Cost					
At 1 April 2023	1,402,942	2,157,939	-	-	3,560,881
Additions	72,330	74,994	-	-	147,324
Inherited on acquisition of subsidiary	-	1,136,821	4,875,000	1,350,000	7,361,821
At 31 March 2024	1,475,272	3,369,754	4,875,000	1,350,000	11,070,026
Depreciation					
At 1 April 2023	957,477	1,924,333	-	-	2,881,810
Inherited on acquisition of subsidiary	-	780,790	1,402,500	-	2,183,290
Charge for the year	113,728	93,589	65,000	-	272,317
At 31 March 2024	1,071,205	2,798,712	1,467,500	-	5,337,417
Net book value					
At 31 March 2024	404,067	571,042	3,407,500	1,350,000	5,732,609
At 31 March 2023	445,465	233,606	-	-	679,071

Leisure centre complex

A revaluation of the entire premises was undertaken during the year ended 31 March 2011. The valuation was undertaken by Chartex Limited, independent external valuers, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual and Financial Reporting Standard 15 (IFRS 15). The centre is considered to be a "specialised property", therefore the valuation was carried out on a "depreciated replacement cost" basis.

In 2016 Belper Leisure Centre Limited decided to treat the 2011 valuation as the "deemed cost" of the Leisure Centre complex for that year and future years. This is permitted by Financial Reporting Standard 102 in the year that the company first adopts the standard. The freehold land and Leisure Centre complex would be shown at £nil in the accounts if shown at original cost. This is because these assets were given to Belper Leisure Centre Limited by the predecessor trust.

The centre also holds other items of equipment that belong to other groups or bodies (including Belper School) for their own use, which are not included in this valuation, and are also excluded from Belper Leisure Centre Limited's accounts.

The freehold land and leisure centre complex shown above with a carrying amount of £4,856,000 (2023: £4,856,000) are pledged as security for the loans from Handelsbanken Bank shown in the consolidated notes 16 and 17.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

11 Tangible fixed assets (continued)

Charitable company

	Leasehold improvements £	Other fixed assets £	Leisure centre complex £	Freehold land £	Total £
Cost					
At 1 April 2023	1,402,942	2,157,939	-	-	3,560,881
Additions	72,330	39,209	-	-	111,539
At 31 March 2024	1,475,272	2,197,148	-	-	3,672,420
Depreciation					
At 1 April 2023	957,477	1,924,333	-	-	2,881,810
Charge for the year	113,728	71,406	-	-	185,134
At 31 March 2024	1,071,205	1,995,739	-	-	3,066,944
Net book value					
At 31 March 2024	404,067	201,409	-	-	605,476
At 31 March 2023	445,465	233,606	-	-	679,071

12 Investments

Charitable company

Shares in group undertakings and participating interests

	Subsidiary undertakings £
Cost	
Additions	871,691
At 31 March 2024	871,691
Provision for impairment	
Impairment charge	871,671
At 31 March 2024	871,671
Net book value	
At 31 March 2024	20

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

12 Investments (continued)

Details of undertakings

Details of the investments in which the charitable company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2024	2023

Subsidiary undertakings

Hickory Dickory's Limited	UK	Ordinary	100%	0%
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On 1st December 2023 Trilogy Active Ltd acquired the entire shareholding in Hickory Dickory's Limited for £871,691. The fair value of the net assets held by Hickory Dickory's Limited at this date were £238,771, resulting in goodwill arising on acquisition of £632,920. Management have elected to amortise goodwill arising on acquisition over a 10 year period. 4 months of amortisation has been recognised within the Statement of Financial Activities in the current period.

On 31st March 2024 Hickory Dickory's Limited transferred its entire business to Trilogy Active Ltd.

The principal activity of Hickory Dickory's Limited was the operating of children's indoor adventure play and party centres. The company ceased trading on 31 March 2024 and will be rendered dormant going forwards.

Details of the entities over which the charitable company has control are as follows:

Undertaking	Country of incorporation	Details of undertaking
		2024

Subsidiary undertakings

Belper Leisure Centre Limited	UK	Sole member of the company and control
Belper Sports Centre Services Limited	UK	Control via Belper Leisure Centre Limited shareholding

On 1 August 2023, the company acquired Belper Leisure Centre Limited. Belper Leisure Centre Limited is a charitable company limited by guarantee. Trilogy Active Ltd has control over the entity as it is the sole member of the company and has the power to govern its financial and operating policies so as to obtain benefits from its activities. As such, the results of Belper Leisure Centre Limited and its trading subsidiary, Belper Sports Centre Services Limited, have been included within these consolidated financial statements from 1 August 2023.

The company acquired Belper Leisure Centre Limited for consideration of £Nil. The fair value of the net assets held by Belper Leisure Centre Limited at this date were £5,669,283, resulting in negative goodwill arising on acquisition of £5,669,283. In line with FRS102, the negative goodwill has been matched with the fair value of non-monetary assets purchases. The negative goodwill credit will then be released to the Statement of Financial Activities over the period in which the assets are recovered through use (depreciation) or sale. See Note 21 for further detail.

The registered company number of Belper Leisure Centre Limited and Belper Sports Centre Services Limited is 06848040 and 03538305 respectively. The registered address of both companies is John O'Gaunts Way, Belper, Derbyshire, DE56 0DA. The principal activity of Belper Leisure Centre Limited and its trading subsidiary is the provision of facilities for swimming and other educational, sporting and recreational activities for schools and the local community.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

13 Stock

	Group 2024 £	Charity 2024 £	2023 £
Stocks	3,551	-	-
Finished goods and goods for resale	36,146	36,146	26,319
	<u>39,697</u>	<u>36,146</u>	<u>26,319</u>

14 Debtors

	Group 2024 £	Charity 2024 £	2023 £
Trade debtors	128,357	123,258	55,550
Other debtors	25,360	6,512	16,687
Prepayments and accrued income	135,948	77,876	127,974
	<u>289,665</u>	<u>207,646</u>	<u>200,211</u>

15 Cash and cash equivalents

	Group 2024 £	Charity 2024 £	2023 £
Cash at bank	329,730	109,672	228,233
Money market fund	1,228,295	1,228,295	1,518,646
	<u>1,558,025</u>	<u>1,337,967</u>	<u>1,746,879</u>

16 Creditors: amounts falling due within one year

	Group 2024 £	Charity 2024 £	2023 £
Bank loans	224,452	70,000	70,000
Trade creditors	406,686	278,745	273,899
Other taxation and social security	7,905	-	53,085
Hire purchase and finance leases	40,103	40,103	38,438
Due to group undertakings	-	57,775	-
Other creditors	158,907	6,593	16,953
Accruals and deferred income	634,476	426,297	226,432
Negative goodwill	545,191	-	-
	<u>2,017,720</u>	<u>879,513</u>	<u>678,807</u>

17 Creditors: amounts falling due after one year

	Group 2024 £	Charity 2024 £	2023 £
Bank loans	93,833	93,833	163,833
Hire purchase and finance leases	58,957	58,957	94,473
Negative goodwill	4,047,631	-	-
	<u>4,200,421</u>	<u>152,790</u>	<u>258,306</u>

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

18 Pension and other schemes

Defined benefit pension schemes

Trilogy Active Limited (the charitable company)

The charitable company operates a defined benefit pension scheme.

The charitable company operates a funded defined benefit scheme for the benefit of certain employees in conjunction with a local government defined benefit pension scheme. Entry to the scheme was granted through an Admission Agreement signed by the Pension Administrator, the Transferor (West Northamptonshire Council) and the Trust. Under the terms of this agreement the accrued benefits at the time of transfer (1 April 2011) would be treated as fully funded and the contribution rate calculated on this basis. These figures were calculated using the assumptions in place at the time of 31 March 2010 revaluation.

The figures in these accounts have been calculated in accordance with the provision of Financial Reporting Standard 102. This method of calculation uses a different set of assumptions than the actuarial method described above. As such any surplus or deficit from an accounting perspective would not necessarily reflect the actual funding position using the valuation method. For the year's accounts the Trust opted to use a set of bespoke assumptions which have been agreed with the Fund's Actuary; Hyman Robertson LLP. These assumptions reflect better the Trust's circumstances which are subtly different from the main employers in the fund. These assumptions are consistent with the requirements of FRS102.

The assets of the scheme are administered by trustees in a fund independent from those of the charitable company. Contributions are made by both the employer and employee and are based on a percentage of pensionable pay. In addition the Trust makes a fixed sum payment to pay back any funding deficit, This is based on a 20 year repayment time frame. In the year ended 31 March 2024 Trilogy Active Ltd paid an employers' contribution of £Nil (2023: £Nil) representing 0% (2023: 0%) of employee contributions into the Local Government Pension Scheme, which provides members with a defined benefits related to pay and service.

Pension costs are assessed in accordance with the advice of a qualified actuary using the projected method.

The most recent actuarial valuation of the scheme was at 31st March 2024.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date (expressed as weighted averages) are as follows:

	2024 %	2023 %
Discount rate	4.85	4.75
Expected return on scheme assets	4.85	4.75
Future salary increases	3.25	3.45
Future pension increases	2.75	2.95

Post retirement mortality assumptions

	2024 Years	2023 Years
For a male aged 65 now	22.00	22.00
At 65 for a male aged 45 now	24.00	23.00
For a female aged 65 now	22.00	24.00
At 65 for a female aged 45 now	25.00	26.00

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

18 Pension and other schemes (continued)

Analysis of assets

The Company's share of scheme assets are as follows:

	2024	2023
	%	%
	56	68
Equities	28	18
Corporate bonds	13	13
Property	3	1
	<u>100</u>	<u>100</u>

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

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

	2024	2023
	£	£
Current service cost	(159,000)	(280,000)
Other amounts recognised in the statement of financial position	-	82,000
Defined benefit pension scheme deficit	<u>(159,000)</u>	<u>(198,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2024
	£
Present value at start of year	(8,453,000)
Current service cost	(159,000)
Interest cost	163,000
Actuarial gains and losses	395,000
Benefits paid	202,000
Contributions by scheme participants	<u>50,000</u>
Present value at end of year	<u>(7,802,000)</u>

Fair value of scheme assets

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

	2024
	£
Fair value at start of year	9,172,328
Actuarial gains and losses	673,000
Contributions by scheme participants	50,000
Benefits paid	<u>(202,000)</u>
Fair value at end of year	<u>9,693,328</u>

The defined benefit scheme was in an overall net surplus position as at 31 March 2024. In accordance with FRS102, the asset recorded in the charitable company's Balance Sheet has been capped based on the asset ceiling, which has been determined by reference to the future economic benefits estimated to be available to the charitable company through reductions in future contributions to the plan.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

18 Pension and other schemes (continued)

Belper Leisure Centre Limited (the subsidiary)

The charitable company's subsidiary undertaking, Belper Leisure Centre Limited, operates a defined benefit pension scheme.

Staff previously employed by Amber Valley Borough Council (AVBC), who were transferred to the Trust upon its formation and now to Belper Leisure Centre Limited under the Transfer of Undertakings (Protection of Employment) Regulations 1981, retained their existing pension rights and service under the Derbyshire County Council (DCC) administered pension fund. Belper Leisure Centre Limited makes contributions in respect of the staff contracted out of the SERPS scheme and into the DCC funded scheme.

The assets of the scheme are held separately from those of Belper Leisure Centre Limited in the separately administered scheme for DCC. The last actuarial valuation of the fund was at 31 March 2024.

Please refer to the financial statements of Belper Leisure Centre Limited for further detail. The financial statements are publicly available and the registered address of Belper Leisure Centre Limited is John O'Gaunts Way, Belper, Derbyshire, DE56 0DA. The registered company number of Belper Leisure Centre Limited is 06848040. The registered charity number of Belper Leisure Centre Limited is 1129019.

19 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	Group 2024 £	Charity 2024 £	2023 £
Land and buildings			
Within one year	65,000	65,000	92,000
Between one and five years	32,500	32,500	198,750
	<u>97,500</u>	<u>97,500</u>	<u>290,750</u>

West Northamptonshire Council provided the land and leisure centres at Mount Baths and Danes Campy Centre for the use by the charity to operate sports centres, rent free, throughout the year and previous year.

The land and buildings of Lings Forum was provided by West Northamptonshire Council, rent free, under a service agreement.

The land and buildings of Duston Sports Centre was provided by Duston Parish Council, rent free, under an operating lease to 2027.

The land and buildings of Cripps Recreational Centre was provided by Northampton General Hospital, rent free, under an operating lease to 2025.

The leases of these premises are not capitalised as the charity does not have control over any of the premises due to various restrictions in the leases. Improvements to the sports centres are capitalised and depreciation over the period of the lease.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

20 Related party transactions

Group

The company has taken advantage of exemptions available under Section 33.1A of FRS102 from disclosing transactions with other members of the group.

Charitable company

The charitable company has a funding agreement with West Northamptonshire Council to provide leisure facilities within Northampton. West Northamptonshire Council is a member of the company.

During the year the Trust made purchases from West Northamptonshire Council of £2,403 (2023: £2,610) in relation to various Council provided services. As at 31 March 2024 included within creditors is an amount of £728 (2023: £Nil) owing to the Council. Sales were made to West Northamptonshire Council of £Nil (2023: £25,000). As at 31 March 2024 included within debtors is an amount of £Nil (2023: £Nil) owed by the Council.

During the year the Trust made sales to Northamptonshire Sport, a member of the Company, of £81,378 (2023: £103,297). As at 31 March 2024 included within debtors is an amount of £13,272 (2023: £12,696) owed by Northamptonshire Sport. During the year the Trust made purchases from Northamptonshire Sport, a member of the Company, of £672 (2023: £Nil). As at 31 March 2024 included within creditors is an amount of £Nil (2023: £Nil) owed by Northamptonshire Sport.

During the year the Trust made purchases from Northampton General Hospital, a member of the Company, of £59,592 (2023: £Nil). As at 31 March 2024 included within creditors is an amount of £Nil (2023: £Nil) owed by Northampton General Hospital.

As detailed in note the land and premises used by the charity in the operation of sports centres are provided by the charity by the following members: West Northamptonshire Council, Duston Parish Council and Northampton General Hospital, under operating leases at no charge to the charity.

21 Negative goodwill

The aggregate fair value of the acquired assets from the acquisition of Belper Leisure Centre Limited and its subsidiary exceeded the consideration paid for the group resulting in negative goodwill of £5,669,283 arising. In line with FRS102, the negative goodwill has been matched with the fair value of the non-monetary assets purchased. The negative goodwill credit will then be released to the Statement of Financial Activities over the period in which the assets are recovered through use (depreciation) or sale.

The non-monetary assets acquired consisted of fixed assets.

Fixed assets

The fixed assets transferred included all fixed asset categories within the financial statements. The median value of the minimum and maximum bases used in each asset class' depreciation policy has therefore been considered a reasonable estimate to apply in regards to the recovery of the fixed assets. 8 months of the annual credit has been released in the current year as the entities were acquired on 1 August 2023. This has resulted in a credit of £363,461 being recognised in the Statement of Financial Activities.

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

22 Funds

Group

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds					
Unrestricted fund	1,768,161	8,389,396	(8,304,998)	363,461	2,216,020
Pension reserve	719,328	-	-	(297,328)	422,000
Total funds	<u>2,487,489</u>	<u>8,389,396</u>	<u>(8,304,998)</u>	<u>66,133</u>	<u>2,638,020</u>

Charity

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds					
Unrestricted fund	1,768,161	6,985,070	(7,526,937)	-	1,226,294
Pension reserve	719,328	-	-	(297,328)	422,000
Total funds	<u>2,487,489</u>	<u>6,985,070</u>	<u>(7,526,937)</u>	<u>(297,328)</u>	<u>1,648,294</u>

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds					
Unrestricted fund	1,475,774	6,086,351	(5,793,964)	-	1,768,161
Pension reserve	753,000	-	(180,000)	146,328	719,328
Total funds	<u>2,228,774</u>	<u>6,086,351</u>	<u>(5,973,964)</u>	<u>146,328</u>	<u>2,487,489</u>

23 Analysis of net assets between funds

Group

	Unrestricted fund £	Total funds at 31 March 2024 £
Intangible fixed assets	683,165	683,165
Tangible fixed assets	5,732,609	5,732,609
Current assets	1,887,387	1,887,387
Current liabilities	(2,017,720)	(2,017,720)
Creditors over 1 year	(4,200,421)	(4,200,421)
Pension scheme asset	553,000	553,000
Total net assets	<u>2,638,020</u>	<u>2,638,020</u>

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

23 Analysis of net assets between funds (continued)

Charity

	Unrestricted fund £	Total funds at 31 March 2024 £
Intangible fixed assets	71,342	71,342
Tangible fixed assets	605,476	605,476
Fixed asset investments	20	20
Current assets	1,581,759	1,581,759
Current liabilities	(879,513)	(879,513)
Creditors over 1 year	(152,790)	(152,790)
Pension scheme asset	422,000	422,000
Total net assets	<u>1,648,294</u>	<u>1,648,294</u>
	Unrestricted fund £	Total funds at 31 March 2023 £
Intangible fixed assets	52,794	52,794
Tangible fixed assets	679,071	679,071
Current assets	1,973,409	1,973,409
Current liabilities	(678,807)	(678,807)
Creditors over 1 year	(258,306)	(258,306)
Pension scheme asset	719,328	719,328
Total net assets	<u>2,487,489</u>	<u>2,487,489</u>

24 Analysis of net debt

Group

	At 1 April 2023 £	Cash flows £	Acquisition of subsidiary £	At 31 March 2024 £
Net cash				
Cash at bank and in hand	1,746,879	(188,854)	-	1,558,025
	<u>1,746,879</u>	<u>(188,854)</u>	<u>-</u>	<u>1,558,025</u>
Net debt				
Finance leases	(132,911)	33,851	-	(99,060)
Bank loans	(233,833)	70,069	(154,521)	(318,285)
	<u>(366,744)</u>	<u>103,920</u>	<u>(154,521)</u>	<u>(417,345)</u>
	<u>1,380,135</u>	<u>(84,934)</u>	<u>(154,521)</u>	<u>1,140,680</u>