

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
HARLOW AND DISTRICT SPORTS TRUST

Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

HARLOW AND DISTRICT SPORTS TRUST

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HARLOW AND DISTRICT SPORTS TRUST

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The principle objective, as set out in the Memorandum and Articles of Association, is to provide or to assist in providing facilities for recreation, physical education or other leisure time occupation in or in connection with the town of Harlow and its neighbourhood. Such facilities to be available to the public at large, save that special facilities may be provided for persons whom by reason of their youth, age, infirmity or disability, poverty, or social or economic circumstances may have need of special facilities.

The Trust has remained true to its original objectives which have not changed throughout the sixty four years of its existence. In order to stay ahead of changing trends in sports and leisure the Trust has to invest in state of the art equipment and facilities which can be costly. It is therefore important to strike a balance between its social role to keep charges relatively affordable, and at the same time fulfilling its responsibilities of providing the highest level of customer service to its customers.

FINANCIAL REVIEW

Reserves policy

Restricted funds are those set aside due to specific restrictions placed upon the usage of the funds by the donors. restricted voluntary income received is immediately placed in a deposit bank account as required by its underlying funding agreement terms and conditions. Transfers are made from unrestricted funds to restricted reserves in addition to the above so as to make full provision for Lifecycle costs as recommended in the 30 year projection.

The Finance Committee holds regular quarterly meetings and examines income and expenditure each month to ensure that spending is according to budgets set. The short and long term goal of the Trust is to generate enough surplus such that six months of working capital, (i.e. unrestricted funds, excluding revaluation reserves, not committed or otherwise invested) is available at any point in time.

The Trust as a charitable organisation is entitled to mandatory rate relief of 80%. Harlow District Council (HDC) can also show discretion on the remaining 20% of the rates but HDC had been unable to provide this additional discretionary relief. Due to the extension of the Retail, Hospitality and Leisure Business Rates Relief scheme HDC did not charge the full amount for rates, and this year the rates had a 50% reduction.

The Trust agreed a financial strategy to reduce the operational costs each year, in order to be grant free by the year 2018, and this was achieved. The strategy is to continue to build reserves through planned operating surpluses in order to appropriately service the Lifecycle Fund and build a contingency for risks and new capital projects. Ever since the move to Leisurezone, the Trust has been operating under tough economic conditions. Reduced operational costs are based on improving the level of income achieved and efficiency savings. The Trust financial strategy has proven to be very successful and the building up of reserves has helped to sustain the organisation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Incorporated on 10 March 1959, under Companies Act 1948, the Trust is a company which is limited by the guarantees of its members to a maximum of £1 each. The Trust is governed by the terms of its Memorandum and Articles of Association. The company registration number is 622773. The company is also a registered charity, number 301328.

Governance

The Trust is strategically governed by 12 people, on the board of trustees to whom the three committees, namely the Finance Committee, Remuneration Committee and the Human Resources Committee are accountable. Trustees who served the charity during the year are listed in the report of trustees.

The chairperson of the board retires annually and a new one is elected every year. The current Chairman, Pat Hay has been in office since September 2007 and has been re-elected each year. The appointed Vice Chairman to the Board, Robin Alton, has also been in office for many years and has continued to take a leading role on various issues.

Trustee Recruitment, Induction and Training

The Trust has been fortunate enough to benefit from a relatively stable board of trustees during the last 17 years.

HARLOW AND DISTRICT SPORTS TRUST

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Management

Tonia Gosling the Chief Executive Officer (CEO) is assisted in her duties by the Finance Manager Mujtaba Shafi and the Human Resources Manager Jacqui Cornaby, Facilities Manager, Jamie Hasler, Operations Manager Tim Gunning and Marketing Manager Nichola McKie. The team guides the growth of the Trust with the help of approximately two hundred and sixty employees (47.3 FTE's). Operationally the Trust is based at the £25m state of the art, wet and dry leisure centre, known as Leisurezone, which was completed in 2010.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00622773 (England and Wales)

Registered Charity number

301328

Registered office

Harlow Leisurezone
Second Avenue
Harlow
Essex
CM20 3DT

Trustees

P Hay
R Alton
D Fenny
C Cochrane
T Crisp
R Little
J Wright
G H Horecka
L J Lomas
J W Abbott
L F Clark
V A Livermore

Auditors

Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Main Bankers

Lloyds Bank plc
29 Broad Walk
The Harvey Centre
Harlow CM20 1JF

Chief Executive

T Gosling

Solicitors

Whiskers LLP
6 Mitre Buildings
Kitson Way
Harlow
Essex CM20 1DR

HARLOW AND DISTRICT SPORTS TRUST

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The 2022 AGM agreed to extend the term of the current auditors, Brindley Millen Ltd.

Approved by order of the board of trustees on and signed on its behalf by:

.....
P Hay - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARLOW AND DISTRICT SPORTS TRUST

Opinion

We have audited the financial statements of Harlow and District Sports Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARLOW AND DISTRICT SPORTS TRUST

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARLOW AND DISTRICT SPORTS TRUST**

Use of our report

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

Maurice Brindley FCA BSc (Senior Statutory Auditor)
for and on behalf of Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Date:

HARLOW AND DISTRICT SPORTS TRUST**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 March 2023**

					31.3.23	31.3.22
	Notes	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
External Contributions	2	-	-	8,898	8,898	5,788
Charitable activities	4					
Leisure Activities		5,059,522	-	-	5,059,522	4,628,051
Investment income	3	19,013	69,148	-	88,161	16,516
Total		5,078,535	69,148	8,898	5,156,581	4,650,355
EXPENDITURE ON						
Charitable activities	5					
Leisure Activities		4,242,567	170,533	-	4,413,100	4,073,294
NET INCOME/(EXPENDITURE)		835,968	(101,385)	8,898	743,481	577,061
Transfers between funds	15	(496,964)	496,964	-	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		1,879,000	-	-	1,879,000	688,000
Net movement in funds		2,218,004	395,579	8,898	2,622,481	1,265,061
RECONCILIATION OF FUNDS						
Total funds brought forward		5,834,169	4,978,747	70,217	10,883,133	9,618,072
TOTAL FUNDS CARRIED FORWARD		<u>8,052,173</u>	<u>5,374,326</u>	<u>79,115</u>	<u>13,505,614</u>	<u>10,883,133</u>

The notes form part of these financial statements

HARLOW AND DISTRICT SPORTS TRUST (REGISTERED NUMBER: 00622773)**BALANCE SHEET****31 March 2023**

					31.3.23	31.3.22
	Notes	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	11	4,345,592	-	-	4,345,592	4,345,592
CURRENT ASSETS						
Stocks	12	1,084	-	-	1,084	1,084
Debtors	13	105,367	-	-	105,367	80,489
Cash at bank and in hand		<u>2,741,937</u>	<u>5,380,215</u>	<u>79,115</u>	<u>8,201,267</u>	<u>7,555,679</u>
		2,848,388	5,380,215	79,115	8,307,718	7,637,252
CREDITORS						
Amounts falling due within one year	14	(1,186,807)	(5,889)	-	(1,192,696)	(1,265,711)
NET CURRENT ASSETS		<u>1,661,581</u>	<u>5,374,326</u>	<u>79,115</u>	<u>7,115,022</u>	<u>6,371,541</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,007,173	5,374,326	79,115	11,460,614	10,717,133
PENSION ASSET	16	2,045,000	-	-	2,045,000	166,000
NET ASSETS		<u>8,052,173</u>	<u>5,374,326</u>	<u>79,115</u>	<u>13,505,614</u>	<u>10,883,133</u>
FUNDS	15					
Unrestricted funds					13,426,499	10,812,916
Restricted funds					<u>79,115</u>	<u>70,217</u>
TOTAL FUNDS					<u>13,505,614</u>	<u>10,883,133</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

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

.....
P Hay - Trustee

HARLOW AND DISTRICT SPORTS TRUST**CASH FLOW STATEMENT**
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>557,427</u>	<u>1,059,495</u>
Net cash provided by operating activities		<u>557,427</u>	<u>1,059,495</u>
Cash flows from investing activities			
Interest received		<u>88,161</u>	<u>16,516</u>
Net cash provided by investing activities		<u>88,161</u>	<u>16,516</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		645,588	1,076,011
Cash and cash equivalents at the beginning of the reporting period		<u>7,555,679</u>	<u>6,479,668</u>
Cash and cash equivalents at the end of the reporting period		<u>8,201,267</u>	<u>7,555,679</u>

The notes form part of these financial statements

HARLOW AND DISTRICT SPORTS TRUST

NOTES TO THE CASH FLOW STATEMENT **for the Year Ended 31 March 2023**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23	31.3.22
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	743,481	577,061
Adjustments for:		
Interest received	(88,161)	(16,516)
Increase in stocks	-	(30)
(Increase)/decrease in debtors	(24,878)	79,435
(Decrease)/increase in creditors	<u>(73,015)</u>	<u>419,545</u>
Net cash provided by operations	<u>557,427</u>	<u>1,059,495</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>7,555,679</u>	<u>645,588</u>	<u>8,201,267</u>
	<u>7,555,679</u>	<u>645,588</u>	<u>8,201,267</u>
Total	<u>7,555,679</u>	<u>645,588</u>	<u>8,201,267</u>

HARLOW AND DISTRICT SPORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 March 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling (£).

Critical accounting judgements and key sources of estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Useful economic life of tangible fixed assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Tangible fixed assets

The fixed assets are recorded at cost except that the leasehold property is shown at market value. Tangible fixed assets are capitalised if they cost in excess £15,000 plus irrecoverable VAT.

Harlow and District Sports Trust have been granted a long leasehold interest of 125 years in the Leisurezone by Harlow District Council which expires in September 2135.

Depreciation is not charged against the property, as the trustees consider that the depreciated replacement cost to be equal with the valuation.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all directly attributable costs, less trade discounts, rebates and subsidies.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued as the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and a number of bank accounts. The charity has split its cash holdings across a number of financial institutions in order to manage risk.

HARLOW AND DISTRICT SPORTS TRUST

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

1. ACCOUNTING POLICIES - continued

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will 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 are recognised at their settlement amount.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated Funds represent funds set aside by the trustees on a regular basis to meet certain specific objectives.

Restricted funds can only be used for particular restricted purposes due to restrictions placed upon the usage of the funds by donors.

Pension costs and other post-retirement benefits

The Trust operates two types of pension schemes. One is a defined benefits scheme and the other is a defined contribution scheme.

The defined benefit pension scheme includes only a few of the existing employees, and is based on final pensionable pay. The assets of the scheme are held separately from those of the Trust. The contributions are determined by a qualified actuary and are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Trust.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method of valuation. The pension scheme deficit is recognised in full on the balance sheet. There are no deferred tax implications.

The defined contribution pension scheme is operated for new employees, employer contributions are charged to the Statement of Financial Activities in the year that they are incurred.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially settled 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.

2. EXTERNAL CONTRIBUTIONS

	31.3.23	31.3.22
	£	£
Stadium lifecycle contribution	<u>8,898</u>	<u>5,788</u>

3. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	<u>88,161</u>	<u>16,516</u>

HARLOW AND DISTRICT SPORTS TRUST

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

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.23 £	31.3.22 £
Income from Activities	Leisure Activities	4,499,369	3,964,233
General Income	Leisure Activities	108,443	100,413
Grants	Leisure Activities	-	38,180
Rental income from tenants	Leisure Activities	422,903	455,527
Studio, Service charge & misc	Leisure Activities	28,807	69,698
		<u>5,059,522</u>	<u>4,628,051</u>

Grants received, included in the above, are as follows:

	31.3.23 £	31.3.22 £
Furlough grant received	-	38,180

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Leisure Activities	<u>1,419,005</u>	<u>2,994,095</u>	<u>4,413,100</u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Leisure Activities	<u>2,965,555</u>	<u>28,540</u>	<u>2,994,095</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.23 £	31.3.22 £
Auditors' remuneration	<u>9,193</u>	<u>9,231</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

The key management of personnel of the charity, comprise the trustees, CEO, Finance Manager and Personnel Manager. The total employee benefits of the key management of the charity were £221,670 (2022 £217,336)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

HARLOW AND DISTRICT SPORTS TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023****9. STAFF COSTS**

	31.3.23	31.3.22
	£	£
Wages and salaries	1,586,277	1,460,941
Social security costs	83,790	76,063
Other pension costs	<u>112,455</u>	<u>108,303</u>
	<u>1,782,522</u>	<u>1,645,307</u>

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

	31.3.23	31.3.22
Management and administration	11	10
Maintenance and grounds	2	2
Customer service and other staff	<u>35</u>	<u>34</u>
	<u>48</u>	<u>46</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.23	31.3.22
£90,001 - £100,000	<u>1</u>	<u>1</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
External Contributions	-	-	5,788	5,788
Charitable activities				
Leisure Activities	4,628,051	-	-	4,628,051
Investment income	<u>713</u>	<u>15,803</u>	<u>-</u>	<u>16,516</u>
Total	4,628,764	15,803	5,788	4,650,355
EXPENDITURE ON				
Charitable activities				
Leisure Activities	4,019,459	53,835	-	4,073,294
NET INCOME/(EXPENDITURE)	609,305	(38,032)	5,788	577,061
Transfers between funds	<u>(295,000)</u>	<u>295,000</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	<u>688,000</u>	<u>-</u>	<u>-</u>	<u>688,000</u>
Net movement in funds	1,002,305	256,968	5,788	1,265,061
RECONCILIATION OF FUNDS				
Total funds brought forward	4,831,864	4,721,779	64,429	9,618,072

HARLOW AND DISTRICT SPORTS TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 March 2023**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>5,834,169</u>	<u>4,978,747</u>	<u>70,217</u>	<u>10,883,133</u>

11. TANGIBLE FIXED ASSETS

	Long leasehold £
COST	
At 1 April 2022 and 31 March 2023	<u>4,345,592</u>
NET BOOK VALUE	
At 31 March 2023	<u>4,345,592</u>
At 31 March 2022	<u>4,345,592</u>

The leasehold property, Leisurezone, was valued by Strutt & Parker LLP, Chartered Surveyors. The valuation of £2,500,000 as at 31 March 2011 was for its then "existing use and present condition" as a fully-equipped operational entity, having regard to trading potential. The trustees have reviewed their valuation policy inclusive of auditor recommendations and on 26 October 2020 concluded that a policy of no further updating of the valuation would be necessary.

Subsequently the charity has capitalised additional items as shown below.

	£
Initial valuation	2,500,000
Car park	1,045,920
Trampoline park	<u>799,672</u>
Total cost	<u>4,345,592</u>

These assets will be maintained in the same way as the property, therefore the trustees do not consider that depreciation should be charged.

12. STOCKS

	31.3.23	31.3.22
	£	£
Miscellaneous	<u>1,084</u>	<u>1,084</u>

HARLOW AND DISTRICT SPORTS TRUST

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

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	20,345	16,421
Other debtors	85,022	62,379
VAT	-	1,689
	<u>105,367</u>	<u>80,489</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	399,289	754,858
Social security and other taxes	29,388	21,224
VAT	92	-
Other creditors	749,334	477,756
Accruals and deferred income	<u>14,593</u>	<u>11,873</u>
	<u>1,192,696</u>	<u>1,265,711</u>

15. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	5,668,169	835,968	(496,964)	6,007,173
Defined benefit pension scheme	166,000	1,879,000	-	2,045,000
Designated (Lifecycle) Fund - Maintenance	3,479,852	(125,593)	396,960	3,751,219
Designated (Lifecycle) Fund - Equipment	<u>1,498,895</u>	<u>24,208</u>	<u>100,004</u>	<u>1,623,107</u>
	10,812,916	2,613,583	-	13,426,499
Restricted funds				
Harlow Town Football Club	<u>70,217</u>	<u>8,898</u>	<u>-</u>	<u>79,115</u>
TOTAL FUNDS	<u>10,883,133</u>	<u>2,622,481</u>	<u>-</u>	<u>13,505,614</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	5,078,535	(4,242,567)	-	835,968
Defined benefit pension scheme	-	-	1,879,000	1,879,000
Designated (Lifecycle) Fund - Maintenance	44,940	(170,533)	-	(125,593)
Designated (Lifecycle) Fund - Equipment	<u>24,208</u>	<u>-</u>	<u>-</u>	<u>24,208</u>
	5,147,683	(4,413,100)	1,879,000	2,613,583
Restricted funds				
Harlow Town Football Club	<u>8,898</u>	<u>-</u>	<u>-</u>	<u>8,898</u>
TOTAL FUNDS	<u>5,156,581</u>	<u>(4,413,100)</u>	<u>1,879,000</u>	<u>2,622,481</u>

HARLOW AND DISTRICT SPORTS TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 March 2023**15. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	5,353,864	609,305	(295,000)	5,668,169
Defined benefit pension scheme	(522,000)	688,000	-	166,000
Designated (Lifecycle) Fund - Maintenance	3,526,171	(46,319)	-	3,479,852
Designated (Lifecycle) Fund - Equipment	<u>1,195,608</u>	<u>8,287</u>	<u>295,000</u>	<u>1,498,895</u>
	9,553,643	1,259,273	-	10,812,916
Restricted funds				
Harlow Town Football Club	<u>64,429</u>	<u>5,788</u>	<u>-</u>	<u>70,217</u>
TOTAL FUNDS	<u><u>9,618,072</u></u>	<u><u>1,265,061</u></u>	<u><u>-</u></u>	<u><u>10,883,133</u></u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,628,764	(4,019,459)	-	609,305
Defined benefit pension scheme	-	-	688,000	688,000
Designated (Lifecycle) Fund - Maintenance	7,516	(53,835)	-	(46,319)
Designated (Lifecycle) Fund - Equipment	<u>8,287</u>	<u>-</u>	<u>-</u>	<u>8,287</u>
	4,644,567	(4,073,294)	688,000	1,259,273
Restricted funds				
Harlow Town Football Club	<u>5,788</u>	<u>-</u>	<u>-</u>	<u>5,788</u>
TOTAL FUNDS	<u><u>4,650,355</u></u>	<u><u>(4,073,294)</u></u>	<u><u>688,000</u></u>	<u><u>1,265,061</u></u>

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

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	5,353,864	1,445,273	(791,964)	6,007,173
Defined benefit pension scheme	(522,000)	2,567,000	-	2,045,000
Designated (Lifecycle) Fund - Maintenance	3,526,171	(171,912)	396,960	3,751,219
Designated (Lifecycle) Fund - Equipment	<u>1,195,608</u>	<u>32,495</u>	<u>395,004</u>	<u>1,623,107</u>
	9,553,643	3,872,856	-	13,426,499
Restricted funds				
Harlow Town Football Club	<u>64,429</u>	<u>14,686</u>	<u>-</u>	<u>79,115</u>
TOTAL FUNDS	<u><u>9,618,072</u></u>	<u><u>3,887,542</u></u>	<u><u>-</u></u>	<u><u>13,505,614</u></u>

HARLOW AND DISTRICT SPORTS TRUST

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

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,707,299	(8,262,026)	-	1,445,273
Defined benefit pension scheme	-	-	2,567,000	2,567,000
Designated (Lifecycle) Fund - Maintenance	52,455	(224,367)	-	(171,912)
Designated (Lifecycle) Fund - Equipment	<u>32,495</u>	<u>-</u>	<u>-</u>	<u>32,495</u>
	9,792,249	(8,486,393)	2,567,000	3,872,856
Restricted funds				
Harlow Town Football Club	<u>14,686</u>	<u>-</u>	<u>-</u>	<u>14,686</u>
TOTAL FUNDS	<u><u>9,806,935</u></u>	<u><u>(8,486,393)</u></u>	<u><u>2,567,000</u></u>	<u><u>3,887,542</u></u>

The Lifecycle Maintenance fund is for the maintenance of the organisations fixed assets

The Lifecycle Equipment fund is for the purchase of new equipment for the organisation

The Stadium Lifecycle fund is for the renewal of the 3G pitch at Harlow Town Football Club

16. EMPLOYEE BENEFIT OBLIGATIONS

The Harlow and District Sports Trust participates in the Local Government Pension Scheme (LGPS) and this is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013, and is contracted out of the State Second Pension and currently provides benefits based on career average revalued earnings.

The results include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargent cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 March 2023.

The scheme is now closed and is no longer available to new members. The estimated surplus as at 31 March 2023 was £2,045k.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31st March 2025 and will set contributions for the period from 1st April 2026 to 31st March 2029. 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.

Pension contributions charged during the year amounted to £58,533 (2021/22 £57,232).

To assess the value of the scheme liability at 31 March 2023, Barnett Waddingham have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2022, using financial assumptions that comply with FRS 102. The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them.

Barnett Waddingham are satisfied that the approach of rolling forward the previous valuation date to 31 March 2023 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information Barnett Waddingham have received they consider there appears to be no evidence that this approach is inappropriate. As required under the FRS102 accounting standard, the projected unit credit method of valuation has been used.

The minimum employer contributions due for Harlow and District Sports Trust over the inter-valuation period is 26.1% of pensionable pay, plus a sum of £36,958 was paid by Harlow and District Sports Trust in 2022/23 towards the deficiency in the fund. The value of the scheme's assets at 31 March 2023, as per Barnett Waddingham, was sufficient to cover 144.4% (2022: 102.6%) of the benefits that had accrued to its members.

HARLOW AND DISTRICT SPORTS TRUST

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

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Any payments to meet unfunded benefits which are recharged to the Trust, or financial strain payments made by Harlow and District Sports Trust are in addition to the above. Barnett Waddingham estimate the duration of the Employer's past service liability to be 13 years.

The estimated asset allocation of Harlow and District Sports Trust as at 31st March 2023 is as follows:

	31.03.23	31.03.23	31.03.22	31.03.22
	£000's	%	£000's	%
Employer Asset Share - Bid Value				
Equities	3,833	58%	3,961	60%
Gilts	97	1%	157	2%
Other Bonds	-	-%	289	4%
Property	545	8%	541	8%
Cash / temporary investments	215	3%	167	2%
Alternative assets	1,053	16%	815	12%
Other managed funds	911	14%	666	10%
Total	6,564	100%	6,596	100%

Based on the above, the Employer's share of the assets of the Fund is approximately 0.07%

Asset and liability reconciliation:

	2023	2022
	£000's	£000's
Reconciliation of defined benefit obligation		
Liabilities at start of period	6,430	6,586
Current service cost	98	105
Interest cost	165	127
Change in financial assumptions	(2,125)	(240)
Change in demographic assumptions	(137)	-
Experience loss/(gain) on defined benefit obligation	313	9
Estimated benefits paid net of transfers in	(154)	(175)
Past service cost, including curtailments	-	-
Contributions by Scheme participants and other employers	19	18
Liabilities at end of period	4,609	6,430
	2023	2022
	£000's	£000's
Reconciliation of fair value scheme		
Opening fair value of Fund assets	6,596	6,064
Interest in assets	171	118
Return on assets less interest	(147)	485
Other actuarial gains/(losses)	79	-
Administration expenses	(4)	(3)
Contributions by employer including unfunded	94	89
Contributions by Scheme participants and other employers	19	18
Estimated benefits paid plus unfunded net of transfers in	(154)	(175)
Closing Fair value of Fund assets	6,654	6,596

The actuarial valuation carried out by Barnett Waddingham, used the following major assumptions:

	2023	2022
	%p.a.	%p.a.
Financial Assumptions		
Salary Increases	3.85%	4.35%
Pension Increases	2.85%	3.35%
Discount Rate	4.80%	2.60%

HARLOW AND DISTRICT SPORTS TRUST

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

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

		2023	2022
Life Assumptions - Life expectancy from age 65			
Retiring today	Males	21.1	21.6
	Females	23.5	23.7
Retiring in 20 years	Males	22.3	23.0
	Females	25.0	25.1

Salaries are assumed at increase at 3.85% p.a. in addition to a promotional scale. This is consistent with the approach at the previous accounting date.

17. RELATED PARTY DISCLOSURES

During the year the trust spent £4,140 (2022: £9,060) with Derrick Wade Waters Limited, Chartered Surveyors in relation to property and site management. These sums represented good value for the trust and were on an arm's length basis. Mr R Little, a Harlow and District Sports Trust trustee, is also a director and shareholder of Derrick Wade Waters Holdings Limited, the parent company of Derrick Wade Waters Limited. He took no part in the decision making process and excluded himself from any discussions by the trustees in relation to the contract.

By its nature the Trust contracts with many local organisations and businesses. In some instances board trustees may also be involved with other organisations. Great care is taken to ensure that Conflicts of Interest are managed and avoided. A Register of Interests is maintained and updated regularly.

HARLOW AND DISTRICT SPORTS TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
INCOME AND ENDOWMENTS		
External Contributions		
Stadium lifecycle contribution	8,898	5,788
Investment income		
Deposit account interest	88,161	16,516
Charitable activities		
Income from Activities	4,499,369	3,964,233
General Income	108,443	100,413
Grants	-	38,180
Rental income from tenants	422,903	455,527
Studio, Service charge & misc	28,807	69,698
	<u>5,059,522</u>	<u>4,628,051</u>
Total incoming resources	5,156,581	4,650,355
EXPENDITURE		
Charitable activities		
Wages	672,250	618,261
Rent & rates	154,309	128,758
Light and heat	453,059	270,906
Other direct costs	139,387	109,646
	<u>1,419,005</u>	<u>1,127,571</u>
Support costs		
Management		
Wages	895,790	824,930
Social security	83,790	76,063
Pensions	112,455	108,303
Insurance & security charges	123,819	102,474
Light and heat	97,704	83,219
Telephone	9,036	11,822
Postage, stationery & advertising	101,053	185,434
Sundries	12,159	6,595
Grounds maintenance	11,280	7,770
Buildings maintenance	858,672	1,003,689
Cleaning	59,582	85,557
Equipment repair & maintenance	459,791	298,106
Collection charges	84,080	65,210
Legal & professional	56,344	58,513
	<u>2,965,555</u>	<u>2,917,685</u>
Governance costs		
Senior management time	18,237	17,750
Auditors' remuneration	9,193	9,231
Carried forward	27,430	26,981

HARLOW AND DISTRICT SPORTS TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
Governance costs		
Brought forward	27,430	26,981
Trustee Indemnity Insurance	<u>1,110</u>	<u>1,057</u>
	<u>28,540</u>	<u>28,038</u>
Total resources expended	<u>4,413,100</u>	<u>4,073,294</u>
Net income	<u><u>743,481</u></u>	<u><u>577,061</u></u>

HARLOW AND DISTRICT SPORTS TRUST**APPENDIX - STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2023**

	External Operations £	Leisurezone £	31.3.23 Total funds £	31.3.22 Total Funds £
INCOME AND ENDOWMENTS FROM				
External Contributions	-	-	-	-
Charitable activities	3,752	4,632,867	4,636,619	4,172,524
Other incoming resources				
Rent receivable	100,000	322,903	422,903	455,527
Investment income	17,391	1,622	19,013	713
Total	121,143	4,957,392	5,078,535	4,628,764
RESOURCES EXPENDED				
Charitable activities	60,000	4,182,567	4,242,567	4,019,459
Total resources expended	60,000	4,182,567	4,242,567	4,019,459
Net incoming/(outgoing) resources of the year being net movement in funds	61,143	774,825	835,968	609,305
Transfers to lifecycle fund reserves	-	(496,964)	(496,964)	(295,000)
Surplus/(Deficit)	61,143	277,861	339,004	314,305
Reconciliation of management account surplus to net income:				
Surplus/(Deficit) (as above)			339,004	314,305
Contributions to designated and restricted funds			8,898	5,788
Investment income in designated funds			69,148	15,803
Repair costs from lifecycle funds			(170,533)	(53,835)
Transfers to lifecycle funds			496,964	295,000
Movement on pension fund liability			1,879,000	688,000
Net income/(expenditure)			2,622,481	1,265,061