REGISTERED COMPANY NUMBER: 07219190 (England and Wales)
REGISTERED CHARITY NUMBER: 1138947

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

FOR

SEVERN CENTRE TRUST LTD

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

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 22

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are to carry out the following for the benefit of the community within the areas of Herefordshire, the Parish of Highley and the surrounding neighbourhoods, and such other areas as the Trustees shall determine from time to time:

- to provide or assist in the provision of facilities for recreation or other leisure time occupation in the interests of social welfare with the intention of improving the conditions of life of those using the facilities.
- to organise events for recreation or leisure time occupation in the interests of social welfare with the objects of improving the conditions of life of those engaging in them.
- to relieve the needs of people who are elderly, sick or who have physical or mental disabilities, or who are from socially disadvantaged backgrounds through the provision of recreational and leisure time activities.
- to promote and preserve good health amongst the population through exercise and sport.
- to promote physical education and development amongst pupils and students at schools, colleges or establishments for the provision of further or higher education.
- to advance education through the provision of libraries and other community and cultural facilities; and
- to carry out any other charitable activity subject to the prior written consent of the Charity Commission for England and Wales.

Principal activities

The Charitable Company's principal activity is the management and operation of a community leisure facility on behalf of Local Authority and Parish Council funders under a long-term contractual arrangement.

Public benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing the Charitable Company's aims and objectives and in planning future activities. The Trustees are satisfied that the Charitable Company's activities deliver direct and demonstrable public benefit in the following ways:

- Providing access to high-quality leisure, sport, and fitness facilities
- Operating inclusive pricing structures, concessionary membership rates, and targeted programmes designed to improve access for individuals from lower-income households and other disadvantaged groups.
- Delivering structured aquatic programmes that support the development of essential life skills, particularly for children and young people.
- Facilitating active ageing and health improvement programmes that reduce the burden of sedentary behaviour and lifestyle-related illness on individuals and the communities they live in.

The Trustees are satisfied that the benefits delivered by the Charitable Company's activities are available to a sufficiently wide section of the public and that no private benefit arises that is more than incidental to the achievement of its charitable purposes.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

OBJECTIVES AND ACTIVITIES

Equality, diversity and inclusion

The Charitable Company has a strong commitment to equality, diversity, and inclusion, both as an employer and as a provider of community services. Halo (the parent company) works actively with its local authority partners and community organisations to target under-represented groups, reduce barriers to participation, and foster a culture in which all individuals feel safe, valued, and included. Halo has partnered with the National Centre for Diversity and holds the Investors in Diversity Award, first achieved in 2023.

Stakeholder engagement

In discharging their responsibilities as Directors under section 172 of the Companies Act 2006, the Trustees have had regard to the interests of the Charitable Company's key stakeholders throughout the year, recognising that their decisions affect not only the financial sustainability of the organisation but also its ability to deliver its charitable mission. The principal stakeholder groups and the Charitable Company's engagement with them during 2025 are described below.

- Local Authority and Parish Council Partners
- Customers and Community
- Employees
- Funders
- Regulators

The Charitable Company maintains compliance with its obligations to the Charity Commission, Companies House, and other relevant regulatory bodies, including those governing health and safety, data protection, and safeguarding. The Trustees engage with regulatory requirements proactively and consider their implications in strategic and operational decision-making.

Environmental matters

The Charitable Company recognises that its operation of a leisure facilities creates a material environmental footprint, particularly in relation to energy consumption. Reducing energy use is both a financial and an environmental priority. The Charitable Company continues to invest in energy efficiency measures where appropriate. including lighting and plant efficiency improvements. Performance against energy consumption targets is monitored at facility and portfolio level. The flexible energy purchasing agreement in place to March 2029 supports cost management whilst the Charitable Company and its parent charity continue to develop its longer-term approach to carbon reduction and sustainability.

FINANCIAL REVIEW

2025 performance

The Severn Centre performed well in 2025 and achieved a P&L surplus of £13,779 (before depreciation) an improvement on both the prior year 2024 and the 2025 budget expectations.

Revenue streams include memberships, swimming pool (Lido) and rental income. The Lido being weather dependent had a good year, and we saw the first full year of rentals from the newly opened GP surgery.

Reserves policy

The Charitable Company's reserves policy is to maintain unrestricted reserves at a level sufficient to cover an average of three months of operating expenditure. The Trustees consider this level of reserves necessary to provide adequate protection against the risks inherent in the Charitable Company's operating model, in particular the mismatch between the short-term commitment cycle of membership and programme customers and the longer-term commitments to staffing and property.The target level of unrestricted reserves under this policy is at least £60,000. Unrestricted reserves at 31 December 2025 were £85,351.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL REVIEW

Going concern

In assessing whether it is appropriate to prepare the financial statements on a going concern basis, the Trustees have considered the Charitable Company's current financial position, its short and medium-term financial projections, and the principal risks and uncertainties set out in the following section.

The Trustees are therefore satisfied that the Charitable Company and the Group have adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on a going concern basis.

Whilst no specific date has been set, the Trustees are exploring the possibility of transferring the activities and assets of the charity to the parent charity, Halo Leisure Services Limited. This may have the potential to yield benefits in relation to streamlined processes and cost reductions through consolidation.

FUTURE DEVELOPMENTS - LOOKING FORWARD TO 2026

There are no significant changes to the operating model expected in 2026. We expect to generate a small operating surplus and maintain cash reserves.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

Severn Centre Trust Limited is a charitable company limited by guarantee, incorporated in England and Wales. It does not have a share capital and liability of the members is limited. The Charitable Company is governed by its Articles of Association and is registered with the Charity Commission for England and Wales.

Recruitment and appointment of new trustees

The management of the charity is the responsibility of the trustees who are appointed under the terms of the memorandum and articles of the limited company. Halo Leisure Services Ltd as the charitable company's sole member (parent) appoints the trustees, at least one of whom shall not be a trustee of Halo Leisure Services Ltd.

All new trustees receive induction training regarding the organisation including Ltd powers and objects and the charitable company itself.

Board meetings and decision making

The Board of Trustees meets at least two times per year and is responsible for the overall governance, strategic direction, and oversight of the Charitable Company. Day-to-day operational management is delegated to the Chief Executive Officer and the Senior Management Team in accordance with a scheme of delegation approved by the Board.

Severn Centre Advisory Board

The Charitable Company has established an Advisory Board comprising trustees, management and representatives of the local community to keep the community informed of key developments and to ensure the Charitable Company is aware of the concerns and interests of the local people.

Related parties and connected organisations

The Charitable Company acknowledges funding and support from Shropshire County Council, Highley Parish Council and Halo Leisure Services Limited.

Risk assessment

The Trustees maintain a formal Risk Register including mitigation measures. This document is reviewed regularly by the Board.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07219190 (England and Wales)

Registered Charity number
1138947

Registered office
Lion Yard
Broad Street
LEOMINSTER
HR6 8BT

Trustees
M A W Salt
C E Edginton
O R Whelan
W J Campion

Company Secretary
J G Huxley

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Severn Centre Trust Ltd for the purposes of company law) 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).

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

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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 3rd Aug 2026 and signed on its behalf by:

O R Whelan - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVERN CENTRE TRUST LTD

Opinion

We have audited the financial statements of Severn Centre Trust Ltd (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company including, but not limited to, the UK charity tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alter to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud as well as their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contacts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statements disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Board of Trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: .....6th...August...2026

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted fund £	Restricted funds £	31.12.25 Total funds £	31.12.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Operation of centre facilities		223,852	5,000	228,852	210,569
Investment income	2	80,297	-	80,297	77,934
Total		304,149	5,000	309,149	288,503
EXPENDITURE ON					
Charitable activities	4				
Operation of centre facilities		294,063	64,690	358,753	339,544
NET INCOME/(EXPENDITURE)		10,086	(59,690)	(49,604)	(51,041)
RECONCILIATION OF FUNDS					
Total funds brought forward		75,265	1,869,292	1,944,557	1,995,598
TOTAL FUNDS CARRIED FORWARD		85,351	1,809,602	1,894,953	1,944,557

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2025

	Notes	31.12.25 £	31.12.24 £
FIXED ASSETS			
Tangible assets	11	1,820,145	1,883,529
CURRENT ASSETS			
Debtors	12	32,737	69,744
Cash at bank and in hand		189,045	45,742
		221,782	115,486
CREDITORS			
Amounts falling due within one year	13	(146,974)	(54,458)
NET CURRENT ASSETS		74,808	61,028
TOTAL ASSETS LESS CURRENT LIABILITIES		1,894,953	1,944,557
NET ASSETS		1,894,953	1,944,557
FUNDS	17		
Unrestricted funds		85,351	75,265
Restricted funds		1,809,602	1,869,292
TOTAL FUNDS		1,894,953	1,944,557

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 30th Aug 2026 and were signed on its behalf by:

O R Whelan - Trustee

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charitable company to be able to continue as a going concern.

Company status

The company is a company limited by guarantee and a registered charity. The members of the charitable company are the Trustees named within the Report of the Trustees. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £5 per member of the charitable company.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Incoming resources

Items of income are recognised and included in the accounts when all of the following criteria are met:
i. The Charitable Company has entitlement to the funds;
ii. any performance conditions attached to the items of income have been met or are fully within the control of the Charitable Company;
iii. there is sufficient certainty that receipt of the income is considered probable; and
iv. the amount can be measured reliably.

Income represents net sales of goods and services, excluding Value Added Tax and discounts to customers and management fees. Income received in respect of future events has been deferred and will be released when the event is complete or over the period to which the income relates. Membership income is deferred over the period of membership.

The management fee is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company. Income received for capital expenditure is treated as deferred income and is credited to the Statement of Financial Activities by installments over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

continued...

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

1. ACCOUNTING POLICIES - continued

Resources expended
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
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance and over remaining term of lease
Fixtures and fittings	- 15% on cost

Assets costing more than £1,000 are capitalised.

Related party exemption
The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and 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.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

continued...

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

1. ACCOUNTING POLICIES - continued

Creditors and provisions

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

Financial instruments

The trust 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.

Significant judgements and estimates

In the application of the charitable company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets.

2. INVESTMENT INCOME

	31.12.25	31.12.24
	£	£
Rental income	80,297	77,934

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.12.25 £	31.12.24 £
Centre activities & related income	Operation of centre facilities	123,971	105,989
Management fees	Operation of centre facilities	104,881	104,580
		228,852	210,569

continued...

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

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 5)	Support costs (see note 6)	Totals
	£	£	£
Operation of centre facilities	184,611	174,142	358,753

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.25	31.12.24
	£	£
Staff costs	114,709	104,221
Other staff costs	519	483
Bad debts	6,000	1,000
Depreciation	63,383	61,823
	184,611	167,527

6. SUPPORT COSTS

	Management	Human resources	Governance costs	Totals
	£	£	£	£
Operation of centre facilities	159,217	1,925	13,000	174,142

Support costs, included in the above, are as follows:

Management

	31.12.25 Operation of centre facilities	31.12.24 Total activities
	£	£
Property costs	96,803	91,003
Insurance	8,970	10,197
Administrative costs	21,925	22,270
Management fee	20,004	20,003
Postage and stationery	165	282
Advertising	3,980	2,990
Sundries	5,212	1,535
Legal and professional fees	2,158	9,949
Irrecoverable VAT	-	3,756
	159,217	161,985

continued...

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

6. SUPPORT COSTS - continued

Human resources

	31.12.25 Operation of centre facilities	31.12.24 Total activities
	£	£
Interest payable	1,925	357

Governance costs

	31.12.25 Operation of centre facilities	31.12.24 Total activities
	£	£
Auditors' remuneration	13,000	9,675

7. NET INCOME/(EXPENDITURE)

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

	31.12.25	31.12.24
	£	£
Auditors' remuneration	13,000	9,675
Depreciation - owned assets	62,429	60,868
Depreciation - assets on hire purchase contracts and finance leases	955	955

8. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2025 nor for the year ended 31 December 2024.

continued...

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

9. STAFF COSTS

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

	31.12.25	31.12.24
Operation of centre facilities	12	12

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Operation of centre facilities	210,569	-	210,569
Investment income	77,934	-	77,934
Total	288,503	-	288,503
EXPENDITURE ON			
Charitable activities			
Operation of centre facilities	279,854	59,690	339,544
NET INCOME/(EXPENDITURE)	8,649	(59,690)	(51,041)
RECONCILIATION OF FUNDS			
Total funds brought forward	66,616	1,928,982	1,995,598
TOTAL FUNDS CARRIED FORWARD	75,265	1,869,292	1,944,557

continued...

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

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2025 and 31 December 2025	2,942,261	207,865	401,868	3,551,994
DEPRECIATION				
At 1 January 2025	1,072,969	193,628	401,868	1,668,465
Charge for year	59,690	3,694	-	63,384
At 31 December 2025	1,132,659	197,322	401,868	1,731,849
NET BOOK VALUE				
At 31 December 2025	1,809,602	10,543	-	1,820,145
At 31 December 2024	1,869,292	14,237	-	1,883,529

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2025 and 31 December 2025	3,820
DEPRECIATION	
At 1 January 2025	955
Charge for year	955
At 31 December 2025	1,910
NET BOOK VALUE	
At 31 December 2025	1,910
At 31 December 2024	2,865

continued...

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.25	31.12.24
	£	£
Trade debtors	31,620	68,627
Prepayments and accrued income	1,117	1,117
	32,737	69,744

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.25	31.12.24
	£	£
Hire purchase (see note 14)	3,410	3,410
Trade creditors	371	6,131
Amounts owed to group undertakings	105,735	16,610
Social security and other taxes	299	6,706
Other creditors	301	301
Deferred income	15,508	10,800
Accrued expenses	21,350	10,500
	146,974	54,458

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.12.25	31.12.24
	£	£
Net obligations repayable:		
Within one year	3,410	3,410

15. SECURED DEBTS

The charity's parent company, Halo Leisure Services Limited, took out a £750k Coronavirus Business Interruption Loan Scheme (CBILS) in 2020 to support its operations. The loan is secured against all of the charity's assets by way of fixed and floating charges.

As at 31 December 2025, the remaining liability outstanding to the bank was £125k (2024: £275k).

continued...

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	31.12.25 Total funds	31.12.24 Total funds
	£	£	£	£
Fixed assets	10,543	1,809,602	1,820,145	1,883,529
Current assets	221,782	-	221,782	115,486
Current liabilities	(146,974)	-	(146,974)	(54,458)
	85,351	1,809,602	1,894,953	1,944,557

17. MOVEMENT IN FUNDS

	At 1.1.25	Net movement in funds	At 31.12.25
	£	£	£
Unrestricted funds			
General fund	75,265	10,086	85,351
Restricted funds			
Severn Centre Building Fund	1,869,292	(59,690)	1,809,602
TOTAL FUNDS	1,944,557	(49,604)	1,894,953

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	304,149	(294,063)	10,086
Restricted funds			
Severn Centre Building Fund	-	(59,690)	(59,690)
Warm Space funding grant	5,000	(5,000)	-
	5,000	(64,690)	(59,690)
TOTAL FUNDS	309,149	(358,753)	(49,604)

continued...

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	66,616	8,649	75,265
Restricted funds			
Severn Centre Building Fund	1,928,982	(59,690)	1,869,292
TOTAL FUNDS	1,995,598	(51,041)	1,944,557

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	288,503	(279,854)	8,649
Restricted funds			
Severn Centre Building Fund	-	(59,690)	(59,690)
TOTAL FUNDS	288,503	(339,544)	(51,041)

Severn Centre Building Fund
The buildings were funded by grants and are restricted for use by the Severn Centre as leisure facilities. The balance is reducing as the buildings depreciate.

Warm Space funding grant
Grant funding to assist the charity in delivering a welcoming hub at Severn Centre to the local community in order to provide free heat and hot drinks to those in need during the cold weather period.

continued...

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

18. ULTIMATE PARENT COMPANY

The ultimate parent company is Halo Leisure Services Limited, a Charity incorporated in England & Wales.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2025.