

REGISTERED COMPANY NUMBER: 02042583 (England and Wales)
REGISTERED CHARITY NUMBER: 518586

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
EXERCISE REHABILITATION ASSOCIATION LTD**

Saxon & Co Accountants Ltd
Statutory Auditors
Chartered Accountants
Kings Chambers
Queens Cross
High Street
Dudley
West Midlands
DY1 1QT

EXERCISE REHABILITATION ASSOCIATION LTD

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FOR THE YEAR ENDED 31 MARCH 2023**

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**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 aims

The charity provides a cardiovascular rehabilitation service that helps people who suffer from heart or vascular related conditions. These aims are mainly achieved via its clinical activities at the Action Heart Centre at Russells Hall Hospital in Dudley, West Midlands.

The charity is a public benefit entity. The trustees have had due regard for guidance published by the Charity Commission, including guidance on public benefit.

Action Heart serves its local community via its 'core service', the cardiovascular rehabilitation programme, which receives referrals from the Dudley Health economy and also from certain catchment areas within Sandwell, Staffordshire, Worcestershire, Wolverhampton and Birmingham health economies. The above geographical areas result in Action Heart serving a population in excess of 400,000. Action Heart also runs exercise rehabilitation programmes for patients with other conditions, such as diabetes, obesity and cancer.

Although Action Heart receives funding for the above clinical activities, the charity continues to trade through its wholly owned subsidiary Action Heart (Trading) Ltd, in order to generate additional funding to further the charity's objectives. Fundraising activities include sporting events, exercise classes and sales of goods. Its performance during the year is detailed in note 12 of the financial statements.

The charity's work is also underpinned by the wonderful contribution it receives from its 100+ volunteers, many of whom are ex-patients or carers of Action Heart's services. Indeed, the volunteers are an integral part of Action Heart's service and receive appropriate training and support to carry out their activities.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

ACHIEVEMENT AND PERFORMANCE

All of Action Heart's services were greatly affected by the COVID-19 pandemic, in line with most other health providers in the UK.

At the start of the new financial and clinical year, there were optimistic signs that services were starting to return to normal, with the Action Heart Centre being fully open and the return of 'face to face' patient care. Referrals were coming through again at pre pandemic levels but the charity's income streams were still significantly down resulting in the services having to function with reduced staffing compared to pre pandemic levels.

The staff have worked incredibly hard to maintain service standards and to keep waiting lists to manageable levels, although waits were significantly longer at the end of the year compared to pre pandemic standards. Although all of the clinical and administrative staff had returned from furlough, some staff had been lost to retirement and natural movement but the charity was not in a position to recruit to replace these staff due to the financial constraints caused by the pandemic.

It is envisaged that Action Heart's 'forced' adoption of virtual services during the pandemic will help the charity to develop 'hybrid' rehabilitation services in the future, offering a combination of virtual and face to face contact, which may even help to increase patient uptake.

Action Heart's 'maintenance' patient numbers were starting to increase but were still significantly down compared to pre pandemic levels which then results in this line of income being significantly reduced.

In summary, referrals to Action Heart remained high and although waiting lists were generally longer, the most vulnerable patients were prioritised and still seen according to pre pandemic expectations. All services were operational and gradually returning to normal, albeit in difficult staff and financial circumstances.

FINANCIAL REVIEW

At the beginning of this financial year, Action Heart's commissioners, Dudley CCG and Dudley Public Health once again assured Action Heart that normal funding would be continued, with a view of gradually returning to normal activity levels and the usual contract Key Performance Indicators.

Although Action Heart's clinical income streams continued, the charity's fundraising income remained extremely low when compared with pre pandemic levels. This, combined with the reduced income from the health club suggested the immediate future was going to be challenging for Action Heart.

On a positive note, Action Heart started the new financial year having been informed that it had been chosen to be the 'charity of the year' by a local garden nursery which would likely generate a donation of approximately £20,000.

FUTURE PLANS

Since the year end, normal face to face services have continued to increase, although at much slower levels than first expected. Action Heart continued to receive 'Long Covid' referrals and is now known for having developed this additional exercise rehabilitation 'specialism'. This additional patient group will help the charity to meet its clinical activity targets. Fundraising activities have continued to recover, as has health club income, so there does appear to be light at the end of the tunnel. The current focus continues to be to rebuild the charity's activities and income streams to pre-pandemic levels.

The trustees will continue to closely monitor the charity's income and expenditure levels.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity constitutes a limited company registered in England & Wales, limited by guarantee, as defined by the Companies Act 2006. It is controlled by its Memorandum and Articles of Association, which form its governing document. The charity is known as 'Action Heart'.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members of the Council of Management.

Under the requirements of the Memorandum and Articles of Association one third of the longest serving members of the council must retire from office each year. (If their number is not three or a multiple of three, then the number nearest one third shall retire from office). A retiring member of the council can be re-elected at the next Annual General Meeting or a new member, who must have been recommended by the council, can be appointed by resolution.

Organisational structure and key management

The board of directors, who are also the trustees, are the charity's key management personnel. The day to day decision making and management of the charity is performed by Russell Tipson. Any major decisions are made by the Trustees. Russell Tipson's remuneration is authorised by the charity commission and is set by the other trustees who review it on an annual basis. The charity trades through a 100% owned subsidiary Action Heart (Trading) Ltd and its performance is detailed in note 12 of the accounts.

Induction and training of new trustees

The charity has procedures in place to train new trustees and this includes making them aware of their legal obligations under charity and company law, briefing them on charity commission guidance and trustee resources and making them aware of the contents of the governing document.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02042583 (England and Wales)

Registered Charity number

518586

Registered office

5 Baird House
Dudley Innovation Centre
Pensnett Estate
Dudley
West Midlands
DY6 7YA

Trustees

L D Dugmore
R J Tipson
P A Owen
R J Ennis

Company Secretary

R J Tipson

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Saxon & Co Accountants Ltd
Statutory Auditors
Chartered Accountants
Kings Chambers
Queens Cross
High Street
Dudley
West Midlands
DY1 1QT

Solicitors

Rees Page
8/12 Waterloo Road
Wolverhampton
WV1 4BL

Bankers

Lloyds Bank PLC
63 High Street
Dudley
West Midlands
DY1 1PY

Use of Other Names

The charity also operates under the name "Action Heart".

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Exercise Rehabilitation Association 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 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;
- 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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, Saxon & Co Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 12 December 2023 and signed on its behalf by:

P A Owen - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EXERCISE REHABILITATION ASSOCIATION LTD

Opinion

We have audited the financial statements of Exercise Rehabilitation Association Ltd (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).

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; 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
EXERCISE REHABILITATION ASSOCIATION LTD**

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EXERCISE REHABILITATION ASSOCIATION LTD

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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks to obtain sufficient appropriate audit evidence on which to base our opinion.

To identify and assess risks of material misstatement in respect of irregularities, including fraud, we conduct general and specific risk assessment procedures which include considering:

- The nature of the entity and the industry in which it operates, business performance and the control environment.
- The laws and regulations applicable to the entity.
- Management's own assessment of the risk of fraud occurring and non-compliance with laws and regulations.
- The operating effectiveness of management's controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- Whether management know of any instances of fraud or non-compliance with laws and regulations.

We also hold an audit engagement team meeting to discuss how and where fraud might occur, if any opportunities and incentives may exist within the charity and assess any potential indicators of fraud.

As a result of our procedures we identify direct and indirect laws and regulations applicable to the entity. Direct laws and regulations are those that effect the financial statements and indirect laws and regulations are those that may be central to the entity's ability to operate. The direct laws and regulations identified are the Companies Act, Charities Act, UK GAAP (FRS 102 SORP) and UK Tax Legislation. Indirect laws and regulations identified are the charity's governing document, charity law and the Charity Commission public benefit.

Our response to the risks identified include:

- Reviewing the financial statement disclosures and testing supporting documentation.
- Enquiring of management concerning actual or potential litigation claims.
- Performing analytical procedures to identify any unusual or unexpected variances that may be indicators of material misstatement due to fraud.
- Assessing the risk of management override of controls and bias by testing the appropriateness of journal entries and estimates within the financial statements.
- Obtaining an understanding of related parties and evaluating related party transactions and any significant transactions outside the normal course of business.

We exercise professional judgement and also communicate the requirement to maintain professional skepticism to all members of the engagement team and ensure they are aware of relevant identified laws and regulations, related parties and potential fraud risks and remain alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EXERCISE REHABILITATION ASSOCIATION LTD**

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.

Matthew Saxon (Senior Statutory Auditor)
for and on behalf of Saxon & Co Accountants Ltd
Statutory Auditors
Chartered Accountants
Kings Chambers
Queens Cross
High Street
Dudley
West Midlands
DY1 1QT

12 December 2023

EXERCISE REHABILITATION ASSOCIATION LTD

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations, legacies, charitable and other trading activities	2	387,044	372,343
Investment income	3	40,471	43,013
Total		<u>427,515</u>	<u>415,356</u>
 EXPENDITURE ON			
Charitable activities	4		
General		<u>492,435</u>	<u>513,067</u>
NET INCOME/(EXPENDITURE)		(64,920)	(97,711)
 RECONCILIATION OF FUNDS			
Total funds brought forward		174,033	271,744
TOTAL FUNDS CARRIED FORWARD		<u><u>109,113</u></u>	<u><u>174,033</u></u>

The notes form part of these financial statements

EXERCISE REHABILITATION ASSOCIATION LTD (REGISTERED NUMBER: 02042583)

**BALANCE SHEET
31 MARCH 2023**

		2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS	Notes		
Intangible assets	10	3,584	-
Tangible assets	11	21,240	20,341
Investments	12	2	2
		<hr/>	<hr/>
		24,826	20,343
 CURRENT ASSETS			
Debtors	13	27,952	28,024
Cash at bank		76,107	143,096
		<hr/>	<hr/>
		104,059	171,120
 CREDITORS			
Amounts falling due within one year	14	(19,772)	(17,430)
		<hr/>	<hr/>
NET CURRENT ASSETS		84,287	153,690
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		109,113	174,033
		<hr/>	<hr/>
NET ASSETS		109,113	174,033
		<hr/>	<hr/>
FUNDS	16		
Unrestricted funds		109,113	174,033
		<hr/>	<hr/>
TOTAL FUNDS		109,113	174,033
		<hr/>	<hr/>

The notes form part of these financial statements

**BALANCE SHEET - continued
31 MARCH 2023**

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 12 December 2023 and were signed on its behalf by:

P A Owen - Trustee

R J Tipson - Trustee

R J Ennis - Trustee

EXERCISE REHABILITATION ASSOCIATION LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(96,336)	(148,820)
Net cash used in operating activities		<u>(96,336)</u>	<u>(148,820)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(4,300)	-
Purchase of tangible fixed assets		(6,824)	(5,000)
Covenant		40,260	42,998
Interest received		211	15
Net cash provided by investing activities		<u>29,347</u>	<u>38,013</u>
Change in cash and cash equivalents in the reporting period		<u>(66,989)</u>	<u>(110,807)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>143,096</u>	<u>253,903</u>
Cash and cash equivalents at the end of the reporting period		<u><u>76,107</u></u>	<u><u>143,096</u></u>

The notes form part of these financial statements

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023	2022
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(64,920)	(97,711)
Adjustments for:		
Depreciation charges	6,479	6,414
Loss on disposal of fixed assets	163	51
Interest received	(211)	(15)
Covenant	(40,260)	(42,998)
Decrease/(increase) in debtors	71	(13,402)
Increase/(decrease) in creditors	2,342	(1,159)
	<u> </u>	<u> </u>
Net cash used in operations	<u><u>(96,336)</u></u>	<u><u>(148,820)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank	143,096	(66,989)	76,107
	<u> </u>	<u> </u>	<u> </u>
	143,096	(66,989)	76,107
	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>143,096</u></u>	<u><u>(66,989)</u></u>	<u><u>76,107</u></u>

The notes form part of these financial statements

EXERCISE REHABILITATION ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparation

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, with the exception of investments which are included at market value.

There are no material uncertainties about the charity's ability to continue as a going concern.

The company is a parent and prepares separate financial statements that present information about the charity as an individual undertaking and not as a group. The charity is exempt from preparing consolidated financial statements by virtue of its size..

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. Income derived from the provision of goods and services is stated net of VAT.

Donated resources are recognised as income once the subsequent sale of the donated goods is made. Contributions from unpaid general volunteers are not recognised.

The charity is given use of facilities at Russell Hall NHS hospital from which to conduct its activities. These donated facilities are not recognised as income because the value of such specialist facilities cannot be reliably measured.

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.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment and software	- 25% on reducing balance

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.

EXERCISE REHABILITATION ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Financial instruments

The charity only has basic financial instruments. Basic financial instruments are measured at amortised cost.

Government grants

Once the recognition criteria have been met the charity recognises grants using either the performance model or the accruals model. Covid-19 grants are revenue based grants and are therefore recognised immediately.

2. DONATIONS, LEGACIES, CHARITABLE AND OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Donations and legacies	85,858	57,303
Income from charitable activities	296,082	245,241
Income from other trading activities	5,104	8,722
Government Covid-19 grants	-	61,077
	<u>387,044</u>	<u>372,343</u>

The amount received from non-exchange transactions included in the above amounts is £74,533 (2022- £58,193). These relate to donations and sales of donated goods.

3. INVESTMENT INCOME

	2023	2022
	£	£
Covenant- Action Heart (Trading) Limited	40,260	42,998
Interest received	211	15
	<u>40,471</u>	<u>43,013</u>

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
General	488,035	4,400	492,435
	<u>488,035</u>	<u>4,400</u>	<u>492,435</u>

5. SUPPORT COSTS

			Governance costs £
General			4,400
			<u>4,400</u>

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

	2023	2022
	General	Total
	£	activities £
Auditors' remuneration	3,900	3,750
Auditors' remuneration for non audit work	500	500
	<u>4,400</u>	<u>4,250</u>

6. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration	3,900	3,750
Other non-audit services	500	500
Depreciation - owned assets	5,762	6,413
Deficit on disposal of fixed assets	163	51
Computer software amortisation	716	-
	<u>716</u>	<u>-</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

	2023	2022
	£	£
Trustees' salaries	58,586	57,816
Trustees' pension contributions to money purchase schemes	1,321	1,321
	<u>59,907</u>	<u>59,137</u>

Trustees' expenses

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

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	369,555	396,263
Social security costs	27,669	28,255
Other pension costs	8,551	8,690
	<u>405,775</u>	<u>433,208</u>

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

	2023	2022
Staff	23	26
	<u>23</u>	<u>26</u>

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

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations, legacies, charitable and other trading activities	372,343
Investment income	43,013
Total	<u>415,356</u>
 EXPENDITURE ON	
Charitable activities	
General	513,067
 NET INCOME/(EXPENDITURE)	<u>(97,711)</u>
 RECONCILIATION OF FUNDS	
Total funds brought forward	271,744
 TOTAL FUNDS CARRIED FORWARD	<u>174,033</u>

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

10. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
Additions	4,300
	<u> </u>
AMORTISATION	
Charge for year	716
	<u> </u>
NET BOOK VALUE	
At 31 March 2023	3,584
	<u> </u>
At 31 March 2022	-
	<u> </u>

11. TANGIBLE FIXED ASSETS

	Equipment £	Fixtures and fittings £	Computer equipment and software £	Totals £
COST				
At 1 April 2022	204,176	54,539	30,448	289,163
Additions	800	-	6,024	6,824
Disposals	(13,665)	-	-	(13,665)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	191,311	54,539	36,472	282,322
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 1 April 2022	196,745	52,211	19,866	268,822
Charge for year	2,016	348	3,398	5,762
Eliminated on disposal	(13,502)	-	-	(13,502)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	185,259	52,559	23,264	261,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 March 2023	6,052	1,980	13,208	21,240
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2022	7,431	2,328	10,582	20,341
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	2
NET BOOK VALUE	
At 31 March 2023	2
At 31 March 2022	2

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Action Heart (Trading) Limited

Registered office: 5 Baird House, Dudley Innovation Centre, Pensnett Estate, Dudley, West Midlands, DY6 7YA.

Nature of business: Supply of goods and services

	%		
Class of share:	holding	2023	2022
Ordinary	100		
		£	£
Aggregate capital and reserves		3,181	3,240
Profit for the year		40,201	42,929
		<u>40,201</u>	<u>42,929</u>
 Summary financial information of subsidiary:		 2023	 2022
		£	£
Turnover		103,363	107,985
Expenditure		(63,162)	(65,056)
		<u>40,201</u>	<u>42,929</u>
 Assets		 42,497	 26,225
Liabilities		(39,316)	(22,985)
		<u>3181</u>	<u>3,240</u>
Net Assets			

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts owed by group undertakings	12,156	16,986
Taxation and social security	2,150	2,054
Prepayments and accrued income	13,646	8,984
	27,952	28,024
	27,952	28,024

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Social security and other taxes	7,243	6,470
Other creditors	3,664	2,204
Accrued expenses	8,865	8,756
	19,772	17,430
	19,772	17,430

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	19,084	18,190
Between one and five years	15,904	34,865
	34,988	53,055
	34,988	53,055

16. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	174,033	(64,920)	109,113
	174,033	(64,920)	109,113
TOTAL FUNDS	174,033	(64,920)	109,113

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	427,515	(492,435)	(64,920)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>427,515</u>	<u>(492,435)</u>	<u>(64,920)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	271,744	(97,711)	174,033
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>271,744</u>	<u>(97,711)</u>	<u>174,033</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	415,356	(513,067)	(97,711)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>415,356</u>	<u>(513,067)</u>	<u>(97,711)</u>

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

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	271,744	(162,631)	109,113
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>271,744</u>	<u>(162,631)</u>	<u>109,113</u>

EXERCISE REHABILITATION ASSOCIATION LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

16. 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 £	Movement in funds £
Unrestricted funds			
General fund	842,871	(1,005,502)	(162,631)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>842,871</u>	<u>(1,005,502)</u>	<u>(162,631)</u>

17. RELATED PARTY DISCLOSURES

Rees Page Solicitors charged the charity £Nil during the year (2022- £653). Mr R J Ennis is a partner in the firm.

R Tipson was paid a salary of £58,586 during the year (2022- £57,816). This remuneration was approved by the charity commission.

Action Heart (Trading) Ltd, a 100% owned subsidiary, paid the charity by way of covenant £40,260 during the year (2022- £42,998) and £13,500 (2022- £13,413) for service recharges. At the 31st March 2023 the subsidiary owed the charity £12,156 (2022 -£16,986).

Pleagroove Ltd charged the charity £13,920 (2022- £13,920) for bookkeeping and payroll services. Mr P A Owen is a director and shareholder in this company.