

Unaudited Financial Statements for the Year Ended 31 March 2023

for

Brimhams Active Limited

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for the Year Ended 31 March 2023

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DIRECTORS:

Mr S J Winslow
Mr T I Watson
Mr M Tweedie
Ms N M G Mcguire
Mr S W Laird
Ms T A Forster
Mr P A Foster
Mr N A Harnic
Ms V Thompson-Dixon

REGISTERED OFFICE:

Civic Centre
St Lukes Avenue
Harrogate
HG1 2AE

REGISTERED NUMBER:

12979708 (England and Wales)

ACCOUNTANTS:

Wild & Co Chartered Accountants
Windsor House
Cornwall Road
Harrogate
HG1 2PW

Balance Sheet
31 March 2023

	Notes	31.3.23 £	31.3.22 as restated £
CURRENT ASSETS			
Stocks	4	57,320	42,645
Debtors	5	711,719	2,720,270
Cash at bank and in hand		<u>2,435,039</u>	<u>1,427,420</u>
		3,204,078	4,190,335
CREDITORS			
Amounts falling due within one year	6	<u>3,027,411</u>	<u>3,190,935</u>
NET CURRENT ASSETS		<u>176,667</u>	<u>999,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		176,667	999,400
PROVISIONS FOR LIABILITIES	7	(5,596)	-
PENSION ASSET/(LIABILITY)	9	<u>570,000</u>	<u>(5,260,000)</u>
NET ASSETS/(LIABILITIES)		<u><u>741,071</u></u>	<u><u>(4,260,600)</u></u>
RESERVES			
Income and expenditure account	8	<u>741,071</u>	<u>(4,260,600)</u>
		<u><u>741,071</u></u>	<u><u>(4,260,600)</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 October 2023 and were signed on its behalf by:

Mr M Tweedie - Director

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. **STATUTORY INFORMATION**

Brimhams Active Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The Company holds basic financial instruments as defined in FRS 102. The financial assets and financial liability of the Company and their measurement basis are as follows:

Financial assets

Trade and other debtors are basic financial instruments and are measured at amortised cost as detailed in note 8. Prepayments are not financial instruments.

Cash at bank

Is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals, and other creditors are financial instruments, and are measured at amortised cost as detailed in note 9. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place as there is an obligation to deliver services rather than cash or other financial instruments.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The Company became a participating employer in the North Yorkshire Pension Fund on 1 August 2021.

Employees of the Company are members of the North Yorkshire Pension Fund, administered by North Yorkshire County Council (NYCC). The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Company.

The North Yorkshire Pension Fund is accounted for as a defined benefits scheme:

The liabilities of the North Yorkshire Pension Fund attributable to the Company are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.

Liabilities are discounted to their value at current price, using a discount rate of 2.7% (based on the indicative rate of return on AA-rated corporate bonds).

The assets of the North Yorkshire Pension Fund attributable to the Company are included in the Balance Sheet at their fair value:

Quoted securities - current bid price

Unquoted securities - professional estimate

Unitised securities - current bid price

Property - market value

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

Current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.

Net interest cost on the net defined liability (asset) i.e. net interest expense for the Company - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

The return on plan assets - excluding amounts included in the net interest on the net defined liability (asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure .

Actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions - debited to the Comprehensive Income and Expenditure Statement - charged to the Pensions Reserve as other Comprehensive Income and Expenditure.

Contributions paid to the North Yorkshire Pension Fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. **ACCOUNTING POLICIES - continued**

Going concern

The Company has recorded net assets at the year end of £741,071, by virtue of including the pension surplus in the accounts, in accordance with FRS102.

In addition, the company benefited from a management charge, under an operating contract in place with Harrogate Borough Council, in the year of, £2,426,264.

If the pension asset and management charge had not been included in the accounts, the accounts would have recorded a deficit position.

The financial statements have been prepared on a 'going concern' basis, with no material uncertainties, and the Director's believe this to be the appropriate treatment. The Company's going concern' is intrinsically linked to that North Yorkshire Council (previously Harrogate Borough Council up to 1 April 2023).

North Yorkshire Council continue to support the company via the operating contract in place for the next 12 months. The director's have reviewed the Company's forecast for the next financial year, from the date of formally approving the financial statement and consider preparation of the financial statements on a going concern basis to be appropriate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 260 (2022 - 251).

4. **STOCKS**

	31.3.23	31.3.22 as restated
	£	£
Stocks	<u>57,320</u>	<u>42,645</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23	31.3.22 as restated
	£	£
Trade debtors	669,951	769,106
Other debtors	6,628	8,825
Deferred tax asset	-	999,400
Prepayments and accrued income	<u>35,140</u>	<u>942,939</u>
	<u>711,719</u>	<u>2,720,270</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22 as restated
	£	£
Trade creditors	18,469	24,656
Social security and other taxes	56,881	57,864
VAT	282,913	250,330
Other creditors	48,074	64,894
Accruals and deferred income	2,621,074	2,793,191
	<u>3,027,411</u>	<u>3,190,935</u>

7. PROVISIONS FOR LIABILITIES

	31.3.23	31.3.22 as restated
	£	£
Other provisions	<u>5,596</u>	-
	Deferred tax	Bad debt provision
	£	£
Balance at 1 April 2022	(999,400)	-
Charge to Income Statement during year	<u>999,400</u>	<u>5,596</u>
Balance at 31 March 2023	<u>-</u>	<u>5,596</u>

8. RESERVES

	Income and expenditure account £
At 1 April 2022	(4,260,600)
Deficit for the year	(838,929)
Other comprehensive income	<u>5,840,600</u>
At 31 March 2023	<u>741,071</u>

9. EMPLOYEE BENEFIT OBLIGATIONS

Participation in Pensions Schemes

As part of the terms and conditions of employment of its officers and other employees, the Company makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Company has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Company participates in the following scheme:

The North Yorkshire Pension Fund, administered locally by North Yorkshire County Council (NYCC). This is a funded defined benefit scheme, meaning that the Company and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The North Yorkshire Pension Fund is operated under the regulatory framework for the LGPS and the governance of the scheme is the responsibility of the Pension Fund Committee of NYCC. Policy is determined in accordance with Pensions Fund Regulations. The investment managers of the fund are appointed by the committee, which takes advice from the Corporate Director - Strategic Resources and the fund's investment advisers.

The principal risks to the Company of the scheme are the longevity assumptions, structural changes to the scheme (i.e. large scale withdrawals), changes to inflation, bond yields and the performance of equity investments held by the scheme.

The amounts recognised in surplus or deficit are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22 as restated
	£	£
Current service cost	1,267,000	980,000
Net interest from net defined benefit asset/liability	173,000	80,000
Past service cost	50,000	-
	<u>1,490,000</u>	<u>1,060,000</u>
Actual return on plan assets	<u>1,063,000</u>	<u>(292,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

9. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22 as restated
	£	£
Opening defined benefit obligation	11,471,000	13,500,000
Current service cost	1,267,000	980,000
Past service cost	50,000	-
Contributions by scheme participants	188,000	114,000
Interest cost	309,000	152,000
Actuarial losses/(gains)	(5,777,000)	(3,170,000)
Benefits paid	(289,000)	(105,000)
	<u>7,219,000</u>	<u>11,471,000</u>

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

	Defined benefit pension plans	
	31.3.23	31.3.22 as restated
	£	£
Opening fair value of scheme assets	6,211,000	6,220,000
Contributions by employer	443,000	274,000
Contributions by scheme participants	188,000	114,000
Interest income on assets	173,000	72,000
Actuarial gains/(losses)	1,063,000	(364,000)
Benefits paid	(289,000)	(105,000)
	<u>7,789,000</u>	<u>6,211,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22 as restated
	£	£
Asset gains/(losses) arising during the period	1,063,000	(364,000)
Liability gains/(Losses) arising during the period	<u>5,777,000</u>	<u>3,170,000</u>
	<u>6,840,000</u>	<u>2,806,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

9. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22 as restated
Equities	52.10%	55.70%
Property	6.40%	7.40%
Government bonds	11.00%	16.80%
Corporate bonds	7.20%	7.70%
Multi asset Credit	5.30%	-
Cash	1.40%	1.10%
Other	16.60%	11.30%
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.3.23	31.3.22 as restated
Rate for discounting scheme liabilities	4.50%	2.70%
Rate of increase in salaries	3.85%	4.05%
Rate of increase in pensions	2.60%	2.80%
Rate of inflation CPI	2.60%	2.80%
Pension accounts revaluation rate	2.60%	2.80%

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The North Yorkshire Pension Fund liabilities have been assessed by Aon, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2022, which was updated to 31 March 2023.

The mortality assumptions used by the actuary have been:

Longevity at 65 for current pensioners

Men: 22.6yrs (31/3/23) 21.8 yrs (31/3/22)

Women: 25.0 yrs (31/3/23) 23.8 yrs (31/3/22)

Longevity at 65 for future pensioners

Men: 23.5 yrs (31/3/23) 23.5 yrs (31/3/22)

Women: 26.0 yrs(31/3/23) 25.7 yrs(31/3/22)

10. RELATED PARTY DISCLOSURES

The Company is a Teckal company fulfilling the conditions set out in Regulation 12(4) of Public Contracts Regulation 2015. The Company is subject to management supervision by the members. As such, the Company is a body governed by public law as defined in the Public Contracts Regulation 2015.

During the period, the company received a management fee of £2,426,264 from Harrogate Borough Council. At the year end, Harrogate Borough Council owed £566,931.

During the period, the company paid a management charge of £1,276,598 to Harrogate Borough Council for central support services provided.

North Yorkshire Council continue to support the company via the operating contract in place for the next 12 months.

11. ULTIMATE CONTROLLING PARTY

The Company is controlled by Harrogate Borough Council.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.