

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
FOR
INSPIREALL LEISURE AND FAMILY SUPPORT SERVICES
(A COMPANY LIMITED BY GUARANTEE)**

Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

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FOR THE YEAR ENDED 31ST MARCH 2023

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST MARCH 2023

Trustees	C N Warne - Chairman M Gibson A R Jacobson A J Keating A M Sinclair S T Q Williams
Registered office	The Venue Elstree Way Borehamwood Hertfordshire WD6 1JY
Registered company number	04343347 (England and Wales)
Registered charity number	1093653
Auditors	Menzies LLP Chartered Accountants and Statutory Auditors Richmond House Walkern Road Stevenage Hertfordshire SG1 3QP
Chief executive	N Palmer

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST 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 group for the year ended 31st 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

Policies and objectives

The principal activities are those encompassed within the Memorandum of Association, which principally involve managing leisure facilities and family support services.

InspireAll Leisure & Family Support Services (InspireAll) exists to promote and preserve good health, wellbeing and more active lifestyles for the communities it serves. Specifically, it provides leisure services to the residents of Hertsmere (HBC) and Milton Keynes (MKC). In addition, through contracts with Hertfordshire County Council (HCC), the Charity provides the Family Support Service to the boroughs and districts of Hertsmere, Three Rivers, St Albans, Watford and Dacorum. This entails being the lead agency in supporting work with children aged pre-birth to 11 years old in these areas and requires the provision of staff and expertise.

The leisure sector is highly competitive, with budget gyms at one end of the price spectrum and expensive clubs at the other. InspireAll's role in this sector is to deliver services on behalf of Local Authorities and, as such, seek to appeal to as wide a spectrum of customers as possible. A pricing policy that aims to make the facilities accessible and affordable yet generates sufficient surplus to allow investment in keeping facilities and equipment up-to-date.

Who used and benefited from our services

The leisure side of the business manages four major leisure centres, plus community centres, pavilions and a theatre. The facilities are used by individuals, groups and clubs, with a wide range of activities on offer that allow individuals of all ages to participate at the level and intensity that suits their personal need and ability. Every centre is open to all, either on a membership or "pay-as-you-go" basis and a concessionary pricing scheme is operated within each contract to encourage participation and, whenever possible, remove barriers to following a healthy lifestyle.

The provision of the Family Support Service, on behalf of Hertfordshire County Council, has grown to become a significant part of the business. The current six-year contract, which commenced on 1st October 2018, sees InspireAll managing 35 Family Centres in the boroughs of Hertsmere, Dacorum, Watford, Three Rivers, and St Albans. In these areas, the aim is to establish contact with every new parent and offer them a range of services - advice, classes, one-to-one assistance - that can help them with parenting, assist them to lead healthy lives, give children the best start in life and allow them to reach their full potential. The service unifies family centre staff, health visitors and school nursing under a single umbrella, offering a joined-up service that allows easy access.

Public benefit

The Board of Trustees confirm that they have complied with the duties of Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

InspireAll has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities.

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

Strategic report

Achievement and performance

Review of activities 2022-23

InspireAll continued to provide services that underlined its charitable ethos, including:

- Offering free memberships to those being housed in YMCA accommodation in Milton Keynes, in order to encourage them to exercise, improve their mental health and confidence and find their feet again.
- Offering free swimming opportunities to those in MK2/MK3 postcode with the support of the local Parish Council in Milton Keynes, in order to encourage exercise and improve the mental health and confidence of the local community.
- Donating prizes of memberships and free swims/parties to local charities for their fund raising events within Hertsmere and Milton Keynes.
- Via our outdoor events team, supporting local organisations in running outdoor events and celebrations, either by providing staff and resources, donating/loaning equipment, or ensuring policies and procedures were accurate and sufficient. The team also supported the friends of the parks groups, HBC departments and the Bushey Festival.
- Attendance at local events such as carnivals and fun days. Promoting the facilities and demonstrating how physical activity can help support physical and mental health.
- The Health Hubs secured funding to deliver a hub at Bushey Grove and to continue operating those at Wylllyotts and 96 Shenley Road.

Contract reviews

The contract operations were supported by strong sales and marketing activity, with the focus in the early part of the year on rebuilding membership and swimming lesson numbers.

Hertsmere Borough Council Contract (HBC)

The Hertsmere Borough Council Contract showed sustained increases in participation and income growth throughout the year.

Highlight for the year included the refurbishment of the gym at The Venue and despite new local competition, The Venue achieved great membership growth, ending the year with 2,285 members, only 4% lower than pre pandemic levels.

Customer visits at Furzefield returned to near pre-pandemic levels with an annual total of 460,841, an increase of 51% on the previous year.

Swimming Lessons remained one of the successes of the year with 4,037 pupils on the swimming lesson programme by March 2023, compared to 3,753 in March 2020.

Theatre and cinema struggled with the return from the pandemic and the early months of the financial year were constrained at Wylllyotts by the lack of strong shows touring, very few good film releases and a reluctance for older adults to attend busy indoor venues. The latter part of the year showed a strong up-turn, with sold out shows and a very successful pantomime. The pantomime generated £136,000 in ticket sales, more than any year previous.

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

Strategic report

Achievement and performance

Generation Plus and Sports Development continued the good recovery, with the well-managed programme operating cost effectively. Older adults returned to the 38 different weekly activities with enthusiasm. The use of volunteers and control of costs makes the programme sustainable. The Generation Plus programme delivered activities as diverse as Keyboard Club, Art, Walking Football and Line Dancing. The Physical Activity Referrals Scheme, consisting of medical referrals into exercise, continued to grow, with 195 participants opting for the annualised membership and supported programme in the financial year. A similar number of referrals underwent the supported programme but opted for pay-as-you-go options. The Health Hubs were re-contracted for a further two years with staffed Hubs in the three major towns delivered by InspireAll.

The Park Events had a very busy year with the usual big-ticket events including the Queen's Diamond Jubilee celebrations, running a mobile bar at Middlesex Cricket fixtures in Radlett and the growing programme of supported park events by third parties, where the events team provide specialist support and advice. The traditional Fun- in-the-parks and Outdoor film screenings were well attended and are now a well-loved community fixture.

Milton Keynes Council Contract

Attendance at swimming lessons and casual swim sessions at Bletchley Leisure Centre have seen a significant upturn. Additional sessions were programmed during half term holiday periods for families to attend and the site introduced a new SEND session which has grown in popularity since it was launched.

InspireAll offered volunteers the opportunity to learn how to teach, through supporting them on their journey to become swimming teachers via funded courses.

50+ activities on the timetable have doubled to offer an improved, more appealing programme with additional sessions added throughout the week such as walking netball, pickleball and bowls. Many of these sessions have participants in their 80s.

The Milton Keynes Contract, like many others, has struggled with the rising costs in utilities. Areas for improvements to help reduce energy consumption were identified and LED lighting replacement projects have taken place where possible. Funding was sourced via MKC allowing Bletchley Leisure Centre to add a UV system to the plant room, improving water disinfection and reduce pool chemical consumption.

Hertfordshire County Council Contracts

96 Shenley Road remained a popular and busy Community Hub. InspireAll work alongside the building partners to offer a harmonious service to the users. Iconic local history was celebrated at the museum, with different displays through the year. InspireAll offered a range of smaller events through the year, including children's shows, wrestling and Christmas shows.

Some sessions were delivered as 'pay what you can afford'.

The community café was used as a Warm Hub through the winter.

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

Strategic report

Family Support Services Contract

2022-23 was a very positive year for the Family Support Service. One of the many ways this was demonstrated was through the Family Support Service annual parent satisfaction survey. This year's feedback from families was extremely encouraging and it was good to see an increase in families' awareness of the services.

Over 770 families living in South Quadrant (Watford, Three Rivers and Hertsmere Districts) and West Quadrant (Dacorum and St Albans Districts) completed the satisfaction survey. Key results included:-

- 72.8% of parents said there were no barriers to accessing support
- 94.2% of parents agreed the support and guidance they received met their needs
- 97.2% of parents agreed the Family Centre Service was inclusive and welcoming
- 86.7% of parents agreed the Family Centre Service is available when and how parents need it.

The Family Support teams worked tirelessly during 2022-23 to provide families with a wide range of support to meet their varying needs. The level of engagement with the services has been extremely encouraging with over 7,000 families attending the universal sessions; over 1,000 families attending an emerging need programme; 400 families received more intensive 1-1 support.

In addition, InspireAll's Family Support teams have developed a number of innovative projects to further positively impact local families, including a workshop called Becoming Dad. This workshop offers fathers the opportunity to talk with other fathers about their important role. Increasing the sign-ups to the service through a multitude of approaches including developing processes that the Admin team use and translating marketing materials into a range of locally spoken languages. Additionally, working with Watford General Hospital enables Family Support staff to regularly visit the post-natal ward to promote the services to new parents.

InspireAll are particularly proud that there has been so much progress with the Special Educational Needs and Disability offer, this has included the development of the Early Adventurers course. This is a nine week course for families with children aged between 18 months and 4 years who are displaying either an emerging special educational need or who have been diagnosed with a SEND need. The course helps develop the important skills a child needs to have a successful start in an Early Years setting, whilst building parental confidence in supporting their child's needs. It has been very well received by families, one parent reported that, "Coming to a smaller group has helped my anxiety which also affects my son, I now feel more relaxed seeing how he interacts with the other children. I'm starting to understand the SEND pathway. I didn't know where to start before I came to the course."

Other activities

Human Resources & Payroll

The New HR and Payroll system is now fully embedded and providing key information to the management team. The online timesheets are fully active and the system automates functions such as casual holiday pay, absence records and annual leave entitlement.

The next stage is to develop the automated clocking in and out to drive further efficiencies. Other future projects are to look at improvements in the use of the Bradford Factor absence reporting process via bespoke reports.

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

Strategic report

Recruitment continued to be problematic, however with the help of a weekly focus group, various measures were implemented such as an increase in pay, over and above the cost-of-living increase, to attract new candidates such as Swimming Teachers and Duty Managers.

Facilities management

The focus of the facilities team throughout 2022-23 continued to be:

- To reduce energy costs by utilising technology and sharing best practice
- To complete a regular, thorough audit programme
- To review and update company policies
- To look at reducing the carbon footprint and improving sustainability across the organisation.

The introduction of Combined Heat and Power Units at Bletchley, Furze Field and Bushey Grove leisure centres continued to deliver utility cost savings. A CHP unit has now been installed at The Venue.

Financial review

Financial position

The results for the year are set out in the financial statements.

Total income, before interest on the defined benefit pension scheme was £16,864,801 (2022: £15,570,235). The surplus for the financial year, before the pension adjustment, was £1,470 (2022: £77,982).

The pension adjustment was a positive movement of £630,000 (2022: £1,949,000), which resulted in a positive net movement in funds of £631,470 (2022: £2,026,982). As set out in Note 10, the defined benefit pension scheme has an actuarially determined surplus of £1,737,000 as at 31 March 2023. This asset is not being recognised in the financial statements as it is not clear whether the surplus can be recovered by the company through a refund from the plan or through reduced contributions in the future.

Principal funding sources

In the leisure sector, the main source of income derives from the individual customers that are attracted to use the facilities, in competition with other fitness and leisure operators. Membership income derived from the gym, fitness classes, swimming lessons and other swimming activities.

Milton Keynes Council paid an annual management fee for the day-to-day running of the community facilities.

The Family Support Services business is wholly funded by Hertfordshire County Council management fee, under a six-year contract secured following a competitive tendering process.

InspireAll does not undertake general fundraising activities on its own behalf and does not employ professional fund-raisers or commercial participators. As a consequence, InspireAll was not subject to an undertaking to be bound by any voluntary or statutory schemes for regulating or monitoring fundraising.

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

Strategic report

Reserves policy

At the end of the financial year, the Trust held negative unrestricted reserves (excluding retirement benefit obligations) of £406,637 (2022: £451,107) and a cash balance of £3,838,802 (2022: £4,009,679). The current deficit position is a direct impact of Covid. As the business continues to rebuild, the aim is to fully recover the deficit over the next 1 to 2 years and maintain a reserve fund of between £500K and £1m moving forward.

The defined benefit pension fund obligation, currently in surplus, is monitored closely but is not seen as an immediate threat to the day-to-day business of the Trust.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Principal risks and uncertainties

Whilst swimming participation exceeds pre-Covid levels, some other activities have yet to recover fully. The principal uncertainty, therefore, surrounds the ability to successfully grow and service the demand.

Part of the challenge is the ability to recruit and retain sufficient high-quality staff. There are two issues: Finding suitable candidates, and being able to offer rates of pay that are attractive to attract and retain the best employees.

The Family Support Services income stream is contractually secure, although the range and standard of service that the contract requires must, of course, be maintained.

Future plans

The focus is very much on trying to improve what is already managed and ensure that operating surpluses can be generated to allow reinvestment into the facilities.

Having undertaken a significant investment programme pre-Covid, there is limited need to invest in enhancing facilities over the next few years, though maintenance issues are growing in importance as the buildings age.

An important piece of work this year is the re-tendering of the Family Support Services contract.

Structure, governance and management

Governing document and charity constitution

The Trust and the group are registered as a charitable company (number 1093653) limited by guarantee and were set up by a Memorandum of Association on 1 December 2003.

The Memorandum and Articles of Association were revised in 2006 to accommodate the addition of children's centres (now termed "family centres") to the portfolio. The Memorandum and Articles of Association were further revised at the AGM in 2016 to remove non-Trustees as Members of the Company. The Members are the guarantors of the Charitable company and each has undertaken to contribute such amount as may be required (but not exceeding £1 each) to the Charitable Company's assets if it should be wound up while he or she is a Member or within one year after he or she should cease to be a Member, for payment of the Charitable company's debts and liabilities contracted before he or she ceased to be a Member, and of the costs, charges and expenses of the winding up, and for the adjustments of the rights of the contributors among themselves.

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

Strategic report

The Charity is required to have between three and eleven Trustees. They are the Trustees of InspireAll in accordance with the Charities Act 2011 and they are also Directors in accordance with the Companies Act 2006. At the end of the financial year the number stood at six.

Recruitment and appointment of new trustees

The Board is continually seeking to recruit new Trustees to achieve a breadth of experience and skills. Vacancies are advertised as necessary, with suitable candidates initially meeting the Chair and Chief Executive to explore the opportunity. Candidates are then invited to attend two Board meetings as observers, prior to possible appointment.

Induction and training of new trustees

Many Trustees are users of the facilities, so often come to the business with their experience as customers. All new Trustees are encouraged to spend time with managers in various locations, to gain further insight into the business. A Trustee guidebook provides a handy guide to the business and Trustees' responsibilities.

Organisational structure and decision making

The Board of Trustees meets at least quarterly and has delegated the responsibility for administering the Charity to a management team that has been formed jointly with SLL:

Natalie Palmer	Chief Executive Officer
Liz Applin	Head of Family Centres
Lee Medlock	Head of Operations
Adrian Hill	Head of IT
Donna Radics	Head of HR
Martin Smith	Head of Facilities

In addition to the Board Meetings, there are regular meetings of the Finance and Development, HR, and more recently Sales and Marketing committees. These committees allow Trustees with relevant experience to engage proactively with the business.

The current Board offers professional expertise encompassing finance, customer relations, law, food & beverage, marketing, HR and energy. In addition to the general management experience of operating at senior levels in their respective professions.

Structure, governance and management

None of the three Local Authorities presently served by InspireAll (HBC, MKC and HCC) nominate people for consideration by the Trustees.

Cooperation with other organisations

InspireAll operates independently, but occupies buildings owned by HBC, MKC, and HCC.

The Family Support Services team works in co-operation with Hertfordshire Community Trust, Barnardo's and One YMCA.

InspireAll and Stevenage Leisure Limited (SLL) have pooled their head office functions in order to achieve economies of scale and improved support.

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

Strategic report

Risk management

The Board and the Finance & Development Committee review monthly management accounts, re-forecasts and Key Performance Indicators at each meeting. The Risk Register is formally reviewed at Board level and updated accordingly.

EVENTS SINCE THE END OF THE YEAR

On a positive note, trading has continued to recover with overall income levels exceeding expectations in 2023-24. The swimming lesson programme has gone from strength to strength and gym member numbers are steadily increasing each month.

InspireAll are starting to reap the rewards of the significant investment undertaken prior to the COVID-19 pandemic. The repayment of the HBC loan continues in line with the planned schedule.

A full review of the rates of pay was undertaken in April 2023 and InspireAll were proud to award a minimum pay increase of 5% across all roles.

Statement of trustees' responsibilities

The trustees (who are also the directors of Inspireall Leisure and Family Support Services 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Strategic report

Auditors

The auditors, Menzies LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

InspireAll uses its auditors to help prepare the Financial Statements. to safeguard auditor objectivity and independence, InspireAll request that a member of staff separate to the audit team is used to prepare the statutory accounts.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on.....and signed on the board's behalf by:

.....
C N Warne - Trustee

Opinion

We have audited the financial statements of Inspireall Leisure and Family Support Services (the 'charitable company') for the year ended 31st March 2023 which comprise the Statement of financial activities, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory framework applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006 and the Charities Act 2011.

- We obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our inquiries through our review of board minutes and papers provided by those charged with governance.

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team include:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

- We have reviewed the financial statements and considered whether they are consistent with our understanding of the entity or indicate a previously unrecognised risk of material misstatement that could be due to fraud.

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
INSPIREALL LEISURE AND FAMILY SUPPORT SERVICES**

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.

M R Hubbocks FCA (Senior Statutory Auditor)
for and on behalf of Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

Date:

INSPIREALL LEISURE AND FAMILY SUPPORT SERVICES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2023

		2023 Total funds £	2022 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Income from charitable activities	3	15,947,973	14,868,712
Retail income	4	916,828	559,843
Other income	5	301,000	361,680
Total		17,165,801	15,790,235
 EXPENDITURE ON			
Goods for resale		468,490	283,274
Charitable activities	6		
Operation of leisure facilities		11,619,935	10,170,843
Family centres		4,487,365	4,379,351
Support costs		588,541	878,785
Total		17,164,331	15,712,253
 NET INCOME/(EXPENDITURE)		1,470	77,982
Other recognised gains/(losses)			
Actuarial gains/(losses) on defined benefit schemes		630,000	1,949,000
Net movement in funds		631,470	2,026,982
 RECONCILIATION OF FUNDS			
Total funds brought forward		(1,038,107)	(3,065,089)
 TOTAL FUNDS CARRIED FORWARD		(406,637)	(1,038,107)
 CONTINUING OPERATIONS			
All income and expenditure has arisen from continuing activities.			

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2023

		2023	2022
		Total	Total
		funds	funds
	Notes	£	£
FIXED ASSETS			
Tangible assets	13	3,741,010	4,333,962
CURRENT ASSETS			
Stocks	14	70,941	44,415
Debtors	15	746,699	556,626
Cash at bank		<u>3,838,802</u>	<u>4,009,679</u>
		4,656,442	4,610,720
CREDITORS			
Amounts falling due within one year	16	(5,028,800)	(5,076,613)
NET CURRENT ASSETS		<u>(372,358)</u>	<u>(465,893)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,368,652	3,868,069
CREDITORS			
Amounts falling due after more than one year	17	(3,775,289)	(4,319,176)
PENSION LIABILITY	20	-	(587,000)
NET ASSETS		<u>(406,637)</u>	<u>(1,038,107)</u>
FUNDS	19		
Unrestricted funds		<u>(406,637)</u>	<u>(1,038,107)</u>
TOTAL FUNDS		<u>(406,637)</u>	<u>(1,038,107)</u>

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

.....
C N Warne - Trustee

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income for the reporting period	1,470	77,982
Depreciation charges	1,250,392	1,222,216
Impairment	-	1
Increase in stocks	(26,526)	(20,131)
(Increase)/decrease in debtors	(190,073)	241,668
(Decrease)/increase in creditors	(63,700)	327,832
Current service cost	109,000	128,000
Interest cost on defined benefit obligation	317,000	269,000
Contributions by employer	(82,000)	(80,000)
Interest income on plan assets	(301,000)	(220,000)
	<hr/>	<hr/>
Net cash provided by operating activities	1,014,563	1,946,568
Cash flows from investing activities		
Purchase of tangible fixed assets	(657,440)	(220,858)
Net cash used in investing activities	(657,440)	(220,858)
Cash flows from financing activities		
Loan repayments in year	(528,000)	-
Net cash (used in)/provided by financing activities	(528,000)	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period	(170,877)	1,725,710
Cash and cash equivalents at the beginning of the reporting period	4,009,679	2,283,969
Cash and cash equivalents at the end of the reporting period	<hr/> 3,838,802	<hr/> 4,009,679

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2023**

ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	4,009,679	(170,877)	3,838,802
	<u>4,009,679</u>	<u>(170,877)</u>	<u>3,838,802</u>
Debt			
Debts falling due within 1 year	(528,000)	(15,887)	(543,887)
Debts falling due after 1 year	<u>(4,319,176)</u>	<u>543,887</u>	<u>(3,775,289)</u>
	<u>(4,847,176)</u>	<u>528,000</u>	<u>(4,319,176)</u>
Total	<u><u>(837,497)</u></u>	<u><u>357,123</u></u>	<u><u>(480,374)</u></u>

The notes form part of these financial statements

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

1. STATUTORY INFORMATION

InspireAll Leisure and Family Support Services is a private company limited by guarantee, registered in England and Wales, as well as being a charity registered in the same jurisdiction. The charity's registered numbers and office address can be found within the reference and administrative details on page 1.

The presentation currency of the financial statements is the Pound Sterling (£).

2. 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 on a going concern basis.

In assessing the going concern position of the charity for the year ended 31st March 2023, the trustees have considered cashflows, liquidity and business activities. As at 31st March 2023, the charity held cash reserves of £3.8 million which are available for general charitable purposes, including but not limited to funding new sites, working capital and future capital expenditure required to ensure that the facilities remain first class for users.

In making this assessment, the trustees have considered the anticipated levels of EBITDA, together with the cash flows and liquidity of the charity over the coming 12 months. Based on this assessment, the trustees currently believe that they can maintain sufficient liquidity to continue to operate within the existing facilities for the coming 12 months.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

2. ACCOUNTING POLICIES - continued**Tangible fixed assets**

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

Long leasehold - over the life of the lease
 Plant and machinery - 3 to 10 years on cost
 Fixtures and fittings - 3 to 5 years on cost

Stocks

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

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.

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

3. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Operation of leisure facilities	11,067,475	10,143,853
Family centres	<u>4,880,498</u>	<u>4,724,859</u>
	<u>15,947,973</u>	<u>14,868,712</u>

4. RETAIL INCOME

	2023	2022
	£	£
Secondary sales	<u>916,828</u>	<u>559,843</u>

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

5. OTHER INCOME

	2023	2022
	£	£
Expected return on retirement benefit assets (see note 20)	301,000	220,000
Income from CJRS claims	<u>-</u>	<u>141,680</u>
	<u>301,000</u>	<u>361,680</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Operation of leisure facilities	11,619,935	-	11,619,935
Family centres	4,487,365	-	4,487,365
Support costs	<u>-</u>	<u>588,541</u>	<u>588,541</u>
	<u>16,107,300</u>	<u>588,541</u>	<u>16,695,841</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	8,934,714	8,200,150
Premises expenses	2,829,864	2,123,999
Repairs and maintenance	1,247,566	1,288,528
Other costs	1,916,353	1,787,316
Depreciation	<u>1,178,803</u>	<u>1,150,265</u>
	<u>16,107,300</u>	<u>14,550,194</u>

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

8. SUPPORT COSTS

	2023	2022
	£	£
Staff costs	525,211	562,245
Premises expenses	21,000	21,000
Repairs and maintenance	3,062	549
Other costs	(32,321)	223,040
Depreciation	<u>71,589</u>	<u>71,951</u>
	<u>588,541</u>	<u>878,785</u>

9. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	1,250,392	1,222,216
Auditors' remuneration - audit services	11,082	12,500
Auditors' remuneration - other services	<u>-</u>	<u>2,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

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

11. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	8,227,970	7,530,500
Social security costs	539,516	483,146
Other pension costs	375,439	479,749
Defined benefit interest cost	<u>317,000</u>	<u>269,000</u>
	<u>9,459,925</u>	<u>8,762,395</u>

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

	2023	2022
Leisure facilities	454	368
Family centre activities	150	188
Senior management and administration	<u>14</u>	<u>21</u>
	<u>618</u>	<u>577</u>

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

	2023	2022
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>2</u>

Key management remuneration

Total key management personnel remuneration (including benefits) was £86,062 (2022: £74,719).

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM		
Income from charitable activities	14,868,712	14,868,712
Retail income	559,843	559,843
Other income	<u>361,680</u>	<u>361,680</u>
Total	<u>15,790,235</u>	<u>15,790,235</u>
 EXPENDITURE ON		
Goods for resale	283,274	283,274
Charitable activities		
Operation of leisure facilities	10,170,843	10,170,843
Family centres	4,379,351	4,379,351
Support costs	<u>878,785</u>	<u>878,785</u>
Total	<u>15,712,253</u>	<u>15,712,253</u>
 NET INCOME/(EXPENDITURE)	77,982	77,982
Other recognised gains/(losses)		
Actuarial gains/(losses) on defined benefit schemes	<u>1,949,000</u>	<u>1,949,000</u>
Net movement in funds	2,026,982	2,026,982
 RECONCILIATION OF FUNDS		
Total funds brought forward	(3,065,089)	(3,065,089)
 TOTAL FUNDS CARRIED FORWARD	<u><u>(1,038,107)</u></u>	<u><u>(1,038,107)</u></u>

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

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
Cost				
At 1st April 2022	840,805	8,962,291	304,788	10,107,884
Additions	<u>28,011</u>	<u>459,510</u>	<u>169,919</u>	<u>657,440</u>
At 31st March 2023	<u>868,816</u>	<u>9,421,801</u>	<u>474,707</u>	<u>10,765,324</u>
Depreciation				
At 1st April 2022	534,859	4,988,498	250,565	5,773,922
Charge for year	<u>132,489</u>	<u>907,333</u>	<u>210,570</u>	<u>1,250,392</u>
At 31st March 2023	<u>667,348</u>	<u>5,895,831</u>	<u>461,135</u>	<u>7,024,314</u>
Net book value				
At 31st March 2023	<u>201,468</u>	<u>3,525,970</u>	<u>13,572</u>	<u>3,741,010</u>
At 31st March 2022	<u>305,946</u>	<u>3,973,793</u>	<u>54,223</u>	<u>4,333,962</u>

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

14. STOCKS

	2023	2022
	£	£
Finished goods	<u>70,941</u>	<u>44,415</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	358,582	237,252
Other debtors	195,994	37,281
Prepayments and accrued income	<u>192,123</u>	<u>282,093</u>
	<u>746,699</u>	<u>556,626</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 17)	543,887	528,000
Trade creditors	997,655	716,334
VAT	315,032	368,197
Other creditors	971	5,953
Accruals and deferred income	<u>3,171,255</u>	<u>3,458,129</u>
	<u>5,028,800</u>	<u>5,076,613</u>

Deferred income has been recognised to ensure that charitable income has been accounted for in the correct financial period.

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans:	4,319,176	4,847,176
Due within one year, included in current liabilities:	<u>(543,887)</u>	<u>(528,000)</u>
Bank loans due after more than one year:	<u>3,775,289</u>	<u>4,319,176</u>

The bank loans are repayable as follows:

	2023	2022
	£	£
Amounts falling due within one year:	543,887	528,000
Amounts falling between one and two years:	571,713	543,887
Amounts falling due between two and five years:	1,896,702	1,804,386
Amounts falling due later than five years:	1,306,874	1,970,903
	<hr/>	<hr/>
Total	<u>4,319,176</u>	<u>4,847,176</u>

Included in secured creditors is £4,319,176 (2022: £4,847,176).

Bank loans are secured by way of a fixed and floating charge over the assets of the charity.

18. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	123,155	148,410
Between one and five years	<u>-</u>	<u>123,155</u>
	<u>123,155</u>	<u>271,565</u>

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

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	(1,635,602)	(450,589)	(2,086,191)
Family centres	1,202,773	502,241	1,705,014
96 Shenley Road	(14,917)	(2,630)	(17,547)
Bushey Community Centre	(11,090)	(35,135)	(46,225)
Herts sports	7,729	30,583	38,312
Retirement benefit obligations	<u>(587,000)</u>	<u>587,000</u>	<u>-</u>
	<u>(1,038,107)</u>	<u>631,470</u>	<u>(406,637)</u>
TOTAL FUNDS	<u>(1,038,107)</u>	<u>631,470</u>	<u>(406,637)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,291,712	(11,742,301)	-	(450,589)
Family centres	4,989,606	(4,487,365)	-	502,241
96 Shenley Road	459,197	(461,827)	-	(2,630)
Bushey Community Centre	47,739	(82,874)	-	(35,135)
Herts sports	76,547	(45,964)	-	30,583
Retirement benefit obligations	<u>301,000</u>	<u>(344,000)</u>	<u>630,000</u>	<u>587,000</u>
	<u>17,165,801</u>	<u>(17,164,331)</u>	<u>630,000</u>	<u>631,470</u>
TOTAL FUNDS	<u>17,165,801</u>	<u>(17,164,331)</u>	<u>630,000</u>	<u>631,470</u>

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

19. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	(1,604,723)	(30,879)	(1,635,602)
Family centres	988,373	214,400	1,202,773
96 Shenley Road	(14,917)	-	(14,917)
Bushey Community Centre	(66)	(11,024)	(11,090)
Herts sports	5,244	2,485	7,729
Retirement benefit obligations	<u>(2,439,000)</u>	<u>1,852,000</u>	<u>(587,000)</u>
TOTAL FUNDS	<u>(3,065,089)</u>	<u>2,026,982</u>	<u>(1,038,107)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	10,379,452	(10,410,331)	-	(30,879)
Family centres	4,722,760	(4,508,360)	-	214,400
96 Shenley Road	341,631	(341,631)	-	-
Bushey Community Centre	81,659	(92,683)	-	(11,024)
Herts sports	44,733	(42,248)	-	2,485
Retirement benefit obligations	<u>210,000</u>	<u>(193,000)</u>	<u>1,949,000</u>	<u>1,852,000</u>
	<u>15,790,235</u>	<u>(15,712,253)</u>	<u>1,949,000</u>	<u>2,026,982</u>
TOTAL FUNDS	<u>15,790,235</u>	<u>(15,712,253)</u>	<u>1,949,000</u>	<u>2,026,982</u>

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

19. MOVEMENT IN FUNDS - continued

The purpose of material designated funds is as follows:

FAMILY CENTRES

This is a 6 year contract from 1st October 2018 to oversee 50% of Hertfordshire County Council's Family Support Centres. Total funding received 2022/23 was £4,989,606 (2021/22: £4,722,760).

HERTS SPORTS

Herts sports is the funding of a sports development officer for the Hertfordshire area. The officer coordinates programs to get people more active and to live healthier lifestyles.

96 SHENLEY ROAD

96 Shenley Road is managed by InspireAll on behalf of Hertfordshire County Council. The building is a multi-purpose facility including library, meeting rooms, performance facilities and cafe. Any surpluses are repayable to HCC and any deficits underwritten by HCC.

20. EMPLOYEE BENEFIT OBLIGATIONS

The group operates a defined benefit pension scheme.

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

	Defined benefit pension plans	
	2023	2022
	£	£
Present value of funded obligations	(8,977,000)	(11,823,000)
Fair value of plan assets	<u>10,714,000</u>	<u>11,236,000</u>
	1,737,000	(587,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Surplus not recognised	<u>(1,737,000)</u>	<u>-</u>
Net surplus / (liability)	<u><u>-</u></u>	<u><u>(587,000)</u></u>

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Statement of financial activities are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Current service cost	109,000	128,000
Net interest from net defined benefit asset/liability	16,000	49,000
Past service cost	<u>-</u>	<u>-</u>
	<u>125,000</u>	<u>177,000</u>
Actual return on plan assets	<u>(362,000)</u>	<u>305,000</u>

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

	Defined benefit pension plans	
	2023	2022
	£	£
Opening defined benefit obligation	11,823,000	13,523,000
Current service cost	109,000	128,000
Contributions by scheme participants	17,000	17,000
Interest cost	317,000	269,000
Actuarial losses/(gains)	(3,030,000)	(1,864,000)
Benefits paid	<u>(259,000)</u>	<u>(250,000)</u>
	<u>8,977,000</u>	<u>11,823,000</u>

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2023	2022
	£	£
Opening fair value of scheme assets	11,236,000	11,084,000
Contributions by employer	82,000	80,000
Contributions by scheme participants	17,000	17,000
Expected return	301,000	220,000
Actuarial gains/(losses)	(663,000)	85,000
Benefits paid	<u>(259,000)</u>	<u>(250,000)</u>
	<u>10,714,000</u>	<u>11,236,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Actuarial gains/(losses)	2,367,000	1,949,000
Surplus not recognised	<u>(1,737,000)</u>	<u>-</u>
	<u>630,000</u>	<u>1,949,000</u>

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

	Defined benefit pension plans	
	2023	2022
Equities	52%	55%
Bonds	21%	25%
Property	14%	13%
Cash	<u>13%</u>	<u>7%</u>
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2023	2022
Discount rate	4.75%	2.70%
Future salary increases	3.45%	3.50%
Future pension increases	2.95%	3.10%

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Defined benefit pension scheme

The defined benefit plan assets exceeded the pension scheme obligations giving rise to a surplus of £1,737,000 as at the 31st of March 2023 however in accordance with FRS 102 Section 28.22 the surplus has been derecognised.

Defined contribution scheme

The charity operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds and amounted to £266,439 (2022: £351,749).

21. CONTINGENT LIABILITIES

The charity issued a performance bond of £100,000 to Milton Keynes Council on 1 November 2009 which is valid for 15 years in relation to the charitable company's contract with the Council. The charity has undertaken to reimburse RBS for any amount called under this guarantee and has given RBS a charge over a deposit totalling £50,000.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2023 (2022: none).