

REGISTERED COMPANY NUMBER: 04624607 (England and Wales)
REGISTERED CHARITY NUMBER: 1105278

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
INSPIRING HEALTHY LIFESTYLES
(A COMPANY LIMITED BY GUARANTEE)
FORMERLY WIGAN LEISURE AND CULTURE TRUST**

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

INSPIRING HEALTHY LIFESTYLES

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2021**

	Page
Reference and Administrative Details	1
Chair's Introduction - Annual Review	2 to 4
Report of the Trustees	5 to 19
Report of the Independent Auditors	20 to 22
Statement of Financial Activities	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Cash Flow Statement	26
Notes to the Financial Statements	27 to 50

INSPIRING HEALTHY LIFESTYLES

REFERENCE AND ADMINISTRATIVE DETAILS for the Year Ended 31 March 2021

TRUSTEES	<p>D A Bartle (resigned 30/9/2021) G W Cross (resigned 30/6/2021) P G Farrington D W Lythgoe (resigned 15/10/2021) J B Meadows (resigned 15/10/2021) P T Moss (resigned 30/6/2021) D A Newman (resigned 15/10/2021) E Smethurst (resigned 5/11/2020) C J Wilks J Moodie (resigned 5/11/2020) S J Price (resigned 31/12/2021) E L Wetherby D J Wood R A Boocock (appointed 15/10/2021) P J Burt (appointed 15/10/2021) S J Gambles (appointed 15/10/2021) J Green (appointed 15/10/2021) L Peace (appointed 15/10/2021)</p>
COMPANY SECRETARY	D M Heaton
REGISTERED OFFICE	<p>Chase Leisure Centre Stafford Road Cannock WS11 4AL</p>
REGISTERED COMPANY NUMBER	04624607 (England and Wales)
REGISTERED CHARITY NUMBER	1105278
AUDITORS	<p>Fairhurst Statutory Auditor Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB</p>
BANKERS	<p>The Co-operative Bank plc PO Box 101 1 Balloon Street Manchester M60 4EP</p> <p>The NatWest Bank 4 Standishgate Wigan Lancashire WN1 1UE</p>

INSPIRING HEALTHY LIFESTYLES

CHAIR'S INTRODUCTION - ANNUAL REVIEW for the Year Ended 31 March 2021

The last year has been unprecedented in terms of challenge, with the organisation having to overcome not only the Covid 19 Pandemic, but also the need to consider and then complete the return of the leisure and wellbeing services to Wigan Council.

Both challenges have been met and overcome, with a smaller, more agile, but fiercely focused Inspiring healthy lifestyles (IHL); re-opening in April 2021 to carry on delivering excellent services to our clients and communities in Cannock Chase and Selby.

In March 2020 IHL, along with the rest of the world, saw the start of the Covid-19 pandemic and faced the first of three full lockdowns. Over the course of the year, this eventually resulted in the bulk of the services being closed for some 7 months.

Even in the periods of reopening, between the end of July and November, then briefly in December, the severe restrictions required under social distancing resulted in a very limited service offer, across the board. Indeed, this situation only began to improve in the first quarter of 2021 /22, finally being removed in July.

In the initial period of lockdown, through liaison with clients, some key Wellbeing staff were re-deployed into key community support roles within Wigan Council and a further and larger number of volunteers were secured for community support activities in both Wigan and Cannock Chase. This was a trend that continued throughout the year, seeing IHL staff deployed across a number of key service delivery areas, particularly in Wigan.

With the closure of services came a massive reduction in income, with all Direct Debit membership income frozen or cancelled, along with the full loss of all casual and pay as you go income. The Community Services Fees from Wigan and Cannock Chase were maintained, along with some Covid Support funding secured from Selby.

Along with many organisations across the charitable and wider leisure sector, plus most sectors of the economy IHL faced major financial uncertainty from that point onwards and for the much of the full year.

The SLT took control of the situation and mitigated the risks as much as possible through the maximisation of all the government financial support measures. The main element was provided by extensive use of the 'Coronavirus Job Retention Scheme'. While this resulted in 90% plus of the staff being placed on Furlough for many months, the £4,352m received in total over the 20/21 financial year effectively helped the organisation survive and remain solvent.

Other key sources of funding including the Arts Council Cultural Recovery Fund and latterly access to the National Leisure Relief Fund (NLRFF) have also helped support the longer-term financial viability.

In the summer of 2020, Wigan Council sought to secure the return of services to their direct control and future operation, through the 'Mutual Termination' of the main Leisure Contract and all the supporting Wellbeing Contracts. While this was not sought or initially supported by the Board, following full legal and financial restructuring advice, trustees agreed to a separation that ensured a planned, dignified exit and separation from Wigan, after some 18 years of successful service operation.

This separation was eventually secured at the end of March 2021, seeing over 300 staff TUPE transfer to the Council, with a small core of senior leaders, managers and staff remaining with the Trust to relaunch the business with a revised focus and viable IHL2 business model (IHL2 being the working name for the new business model).

Beyond separation, a period of transition was agreed with collaboration and joint working ensuring services separated safely with the absolute minimum of impact on the ability to re-open and deliver services to the three customer bases in Wigan, Cannock and Selby.

Crucial to the future success of IHL2 has been the securing of contractual and financial support through 'Deeds of Variation' to the two contracts held with Cannock and Selby Councils.

INSPIRING HEALTHY LIFESTYLES

CHAIR'S INTRODUCTION - ANNUAL REVIEW for the Year Ended 31 March 2021

Built around a common set of principles, both Councils have agreed to the ongoing support of the Trust, during what will be an extended period of recovery from the pandemic. This will ensure stability and financial sustainability after the loss of what was the core client for the Trust. While reviewable on an annual basis, these contractual agreements will enable recovery to be achieved accompanied with growth, diversification and while further transformation plans are developed.

Other key highlights in a year of challenge include the use of three sites as Covid Vaccination centres (Robin Park, Leigh and the Summit in Selby). Sadly, in Selby this followed the closure of the Summit site and mutual termination of the contract with the Council, due to the resulting financial pressures that Covid -19 impacted on the Trust and the Council. The successful re-purposing of that site has resulted in continued community benefit however.

In addition, Covid testing sites have been established in Standish, Central Park and the Chase leisure centres, again ensuring the organisation has played a full part in the battle against the pandemic.

The seismic shift caused by Covid-19 and the separation from Wigan has led to significant changes in the Senior Leadership Team and management structures. This will change further with the retirement of the Managing Director Peter Burt at the end of June 2021 and the appointment of Chris Derbyshire as new Management Director, part of a planned and agreed succession plan.

In addition, during the first half of the 2021/22 year the Board and Governance structure will also change significantly. The Board will seek to reduce in size to a planned level of a minimum of seven trustees, with no Council representation, but with targeted representation from both the Cannock and Selby Communities.

This has been my last full year both as Chair and as trustee; I will be stepping down at the end of June 2021 along with the Chair of the Finance and Performance Committee, with the Chair of Audit and the Chair of the HR & Health & Safety Committees stepping down in October 2021 and number of other trustees stepping down between September and December 2021, several who have served for many years, contributing massively to the Trusts achievements.

I have overseen many of these successes, however in this last year, simply surviving has been a phenomenal success, highlighted by the securing of the ongoing contractual relationship with our Cannock and Selby contracts.

Wigan Leisure and Culture Trust was formed in 2003 to serve Wigan Council and the communities of the borough. In the next year, the Board will consider a change of name to mark the separation from Wigan and provide the new focus on Cannock and Selby. The Inspiring healthy lifestyles brand will be retained however, modified and modernised as required.

The legacy left for Wigan sees a fully modernised and expanded set of leisure services with the addition of the Wigan Life Centre, Leigh leisure centre and pool plus the Standish leisure centre. Added to that has been the modernisation of Robin Park, Howe Bridge and Ashton leisure centres plus the transformation of Haigh Woodland Park along with the development of nationally recognised and award-winning Wellbeing services.

There are a series of thankyou's that I would like to record, firstly to our two client Councils who have worked closely with us to deliver revised and robust contractual arrangements going forward.

I would like to thank two special external advisors who have worked closely with the Board and SLT to guide and give confidence to trustees throughout this last year; Joanna Bussell from Winkworth Sherwood, providing legal advice, plus Adam Stephens with restructuring and recovery services.

In addition, I would like to recognise the hard work and dedication of all the Senior Leadership Team, managers and staff, who collectively worked tirelessly to deliver the separation from Wigan and revised contractual arrangements with Selby and Cannock, while maintaining the solvency and sustainability of the Trust.

INSPIRING HEALTHY LIFESTYLES

CHAIR'S INTRODUCTION - ANNUAL REVIEW for the Year Ended 31 March 2021

Finally, I would like to both recognise the loyalty, commitment, and dedication of all the trustees who have worked alongside me throughout the life of the Trust. Especially those of the current Board who have remained resolute through the challenges of the last year and helped ensure the best possible outcome for Wigan Leisure and Culture Trust in the years to come.

I am very proud of what Wigan Leisure and Culture Trust has achieved so far in its 18 years of existence, and I look forward to seeing a successful future unfold in the years to come.

Gareth Cross,
Chair of Trustees

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

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 2021. 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

Organisation

The charitable company is a company limited by guarantee with the income and property of the charitable company being applied solely towards meeting the objectives of the charity as outlined below. No dividend, bonus or profit share shall be paid or transferred directly or indirectly to members of the charitable company.

The charitable company changed its name from Wigan Leisure and Culture Trust to Inspiring Healthy Lifestyles with effect from 1st December 2021. Any reference to Wigan Leisure and Culture Trust means the charitable company now known as Inspiring Healthy Lifestyles (company number 04624607).

The financial statements show the financial affairs of the charitable company.

During the year the charitable company made substantial use of the brand Inspiring healthy lifestyles.

The charitable company has a dormant subsidiary Inspiring Healthy Lifestyles Enterprises Limited (company number 046392730). The company did not trade in either 2021 or 2020 and the group is not required to prepare consolidated accounts. At the date of signing this report the directors of the subsidiary had made application to strike off Inspiring Healthy Lifestyles Enterprises Limited and had gone to first notice with the Gazette.

The charitable company operates under the memorandum and articles of association as modified in November 2007 and July 2010 and further updated in September 2017.

Charitable status

The company gained charitable status on 3rd August 2004. The charitable company registration number is 1105278.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Achievement and performance

The Strategic Report comprises the following sections: from 'Objectives and Policies' to 'Future Plans'.

Objectives and policies

The charitable company has been established for the public benefit for the following purposes (drawn from the memorandum of the company):

- The advancement and support of education, culture, arts and history
- The provision or assistance in the provision of facilities for recreation or other leisure time occupations
- The promotion of good health through community participation in healthy recreation
- Any other charitable purposes beneficial to the public consistent with the above noted objectives as the Trustees shall determine

Strategies employed in the year

In June 2018 a new Business Strategy was adopted by the charity. The vision statement for the Business Strategy is:

- To inspire people to choose healthy, more active and creative lifestyles.

The adoption of the Business Strategy also saw the adoption of a new overall brand for the charity - Inspiring healthy lifestyles.

The vision is underpinned by three core values:

- Enrich
- Collaborate
- Innovate

This vision is delivered through three aims each underpinned by strategic objectives.

Progress has been extremely limited in 2020/21 due to the impact of the Covid-19 pandemic and the need to deliver the separation from and return of services to, Wigan Council, following the 'Mutual Termination' of the leisure and wellbeing contracts with the client authority.

Given the above and recognising that the business faced serious and unprecedented operational challenges, the Board sought to ensure the organisations immediate priorities throughout the year were to keep staff and customers safe and take actions to secure the future recovery and sustainability of the business:

Aim 1: Experiences that empower people to be responsible for their own lives

Strategic Objectives

- Live our values to provide an inspiring customer experience
 - A number of 'exercise at home' programmes have been launched
 - Provision of a Health Triage with our health and fitness membership base on the return of service provision to understand any changes in and then design a fitness programme in response
 - Engagement in a number of key customer research initiatives within the sector to help shape our recovery
- Products and services that encourage fun and enjoyment
 - creation of a new website, "Home Health Hub" containing a wide variety of information from workouts to ideas on how to keep children entertained during 'lockdown'

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

- Provision of 'live' and 'on demand' fitness classes to support people with their wellbeing
- Design and introduction of an outdoor fitness programme
- Investment in and maintain high quality, accessible facilities and services
 - Launch of a new booking system 'Leisure Hub' to support customers in advance booking for their activities
 - invested in the re planning of equipment within our facilities to provide appropriate distancing and ensure customer confidence
 - Successful application to NLHF for Haigh Woodland Park allowing the project to proceed to Development Phase

Aim 2: A positive and healthy workforce

Strategic Objectives

- Lead, motivate and inspire our people
 - Regular communication with staff to set out the organisations commitments and ensure continued engagement
- Ensure the provision of truly integrated high-quality services
 - Adoption of flexible working across our workplace to ensure a person centred approach to service provision
- Invest in skills, knowledge and capacity
 - Our set of quality assured normal, and emergency operating procedures fully reviewed and updated to capture any changes to mitigate the risk of Covid 19
 - Every member of staff trained as part of the pre-opening training schedule on operating adjustments

Aim 3: Strong partnerships that deliver impact and meet local needs

Strategic Objectives

- Support our clients to develop active and sustainable communities
 - Collaborative working with client Council's to ensure we were part of the collective response providing critical community services
 - Re-deployment of Senior Leadership resource as strategic support for Wigan Council
- Work in collaboration to ensure an asset based, person centred approach
 - Utilisation of facilities as vaccination/ distribution centres for wider response to pandemic
- Identify opportunities to maximise our impact and deliver our vision
 - Use of new media to showcase our successes and inspire others to engage, producing digital case studies to communicate with customers and clients

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Financial review

Results for the year

The financial statements are prepared in accordance with applicable accounting standards and the Charity Statement of Recommended Practice (FRS102 SORP) (effective 1 January 2019) and covers the activities of Inspiring Healthy Lifestyles (formerly Wigan Leisure and Culture Trust).

The Statement of Financial Activities (SOFA) shows the gross income from all sources and the split of activity between restricted, designated and unrestricted funds.

Total funds of the charitable company and the charitable group have decreased due in part to actuarial pension losses (see note 22) and amount to deficit £1,698,572 as at 31 March 2021 (2020: surplus £7,295,194) representing unrestricted funds deficit of £4,449,230 (2020: surplus £4,999,304), which includes designated fund surplus of £600,000 (2020: £Nil), pension deficit of £5,562,000 (2020: surplus £2,613,000) and general unrestricted funds surplus of £512,770 (2020: surplus £2,386,304). Restricted (including endowment) funds surplus totalled £2,750,658 (2020: surplus £2,295,890).

The statement of financial activities shows that there were net outgoing resources before movements in the valuation of investments and the pension scheme for the charitable group for the financial year amounting to £1,332,769 (2020: net outgoing £940,191).

The Trust met its social and business objectives and through a combination of proactive management and a committed workforce, the worst impact of the adverse economic conditions was mitigated.

Reliance on other parties

The charitable company continues to rely heavily on national and local government policies for contract income.

Investment policy and objectives

Bearing in mind the charitable company's commitment to effective stewardship of resources, the Trust has endorsed an investment policy that allows for £1,500,000 to be invested in structured products with the balance of resources being invested in Public Sector Reserve accounts. Structured products are traded on the markets but guarantee, to various degrees, a return of capital invested. However, under the SORP, these investments are valued at market price rather than capital value, and on that basis a gain on revaluation has been recorded for 2020/21.

Reserves policy

The charitable company's reserves policy was reviewed in June 2018. It was agreed that it was appropriate to seek to maintain a level of general unrestricted reserves (excluding surpluses / deficits on pensions) of £1 million. The purpose of those reserves is to safeguard against both any significant loss of funding and any unforeseen adverse circumstances and to thereby facilitate the continuance of the delivery of the charitable company's stated objectives.

The breakdown of reserves held are detailed above.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Financial review

Going concern

Due to COVID-19 all business operations within the Charity were suspended on the 20th of March 2020 to conform with Government imposed restrictions. The business operations re-commenced in July 2020 on the basis of reduced opening, capacity and activities programme.

These restrictions formed the new business operating model for the whole of the 2020/2021 financial year, with a second closure being implemented in November 2020 and tiered restrictions in place across all three of our contractual areas from December 2020 and a further lockdown from January 2021 to mid-April 2021. This effectively meant the Charity was only able to trade for five out of the last twelve months in 2020/2021.

The Charity has taken advantage of all national and local government COVID-19 financial support schemes available to the sector such as the Coronavirus Job Retention Scheme, Retail, Hospitality and Leisure Business Grants Fund, Local Restrictions Support Grant, Local Government Premises Grant, Restart Grants, Business Rates Holiday and the Deferral of VAT.

Successful bids were made by the Charity to the Governments Culture Recovery Fund via the Arts Council, which resulted in an award of £343k being made to support cultural services delivered to the end of March 2021. Following this, a further award of £175k was made to the Charity from the fund to support the continued delivery of these services from April 2021.

Additionally, successful applications were submitted to the Governments National Leisure Recovery Fund, via our Local Authority clients which released significant funding of (£681k) to support the Charity's continued delivery of services in 2020/21 and 2021/22. Whilst the Wigan NLRP claim remains outstanding this is being addressed through the reconciliation statements for the cessation of the contract and any adjustment to this has been assessed and is not considered material.

Following the mutual termination of the Wigan Council contract and successful transfer back of services on the 1st of April 2021, agreed Heads of Terms were legally ratified by the Board on a no cost no gain basis.

Further to this, the Board agreed with Selby District Council to terminate The Summit contract from the 31st of January 2021 to enable the reassignment of the facility as a vaccination centre for the district.

Crucial to the future success of the Charity has been the securing of contractual and financial support through 'Deeds of Variation' to the two contracts held with Cannock and Selby Councils.

Built around a common set of principles, both Councils have agreed to the ongoing support of the Charity during what will be an extended period of recovery from the pandemic. This will ensure stability and financial sustainability after the loss of what was the core client. Whilst reviewable on an annual basis, these contractual agreements will enable recovery to be achieved accompanied with growth and diversification.

Continued successful negotiations with the Cannock client outside of the 'Deeds of Variation' arrangements has also resulted in this contract being extended for a further five years, taking this contract through to the 31st of March 2027.

Whilst there has been a significant actuarial valuation loss on the defined pension schemes that the organisation participates in, the most material of the losses related to the Greater Manchester scheme, as of the 1st of April 2021 out of 99 members of this scheme 91 members along with their associated pension liabilities transferred to Wigan Council.

The result of the factors outlined above is that the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, (being a period of twelve months after the date on which the report and financial statements are signed), and that going concern assumption is both appropriate and continues to be adopted in the financial statements. This is reiterated in the accounting policies on page x.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Financial review

Grant Policy

The charitable company gives very limited grants to external institutions. Those that are given are approved by the Board through the charitable company's financial monitoring arrangements.

Pension Commitment

Inspiring Healthy Lifestyles (formerly Wigan Leisure and Culture Trust) is a member of the following multiple employer defined benefit pension schemes, the Greater Manchester Pension Fund, the Staffordshire Pension Fund and the North Yorkshire Pension Fund.

Each member organisation shares a joint and several liabilities for the pension funds. As such, and in accordance with FRS102 section 28, it has been possible to identify Inspiring Healthy Lifestyles' (formerly Wigan Leisure and Culture Trust's) share of each scheme's assets and liabilities on 31 March 2021, as advised by the appointed actuaries. Refer to note 22 for additional information.

All three of the defined benefit pension schemes have undergone an actuarial valuation for accounting purposes (FRS102) as at the 31st March 2021. Two of the three schemes recorded a negative movement as a result of the valuation, and one recorded a positive movement. The Greater Manchester and Staffordshire schemes moved into a deficit, as a result of the valuation and the North Yorkshire scheme remained in surplus. The total position across the three schemes has deteriorated from a surplus of £2,613,000 at 1st April 2020 to a deficit of £5,562,000 at 31st March 2021.

Trustees have considered the defined benefit pension scheme liability and the risk of this liability becoming due and whilst the pension scheme deficit is not a debt but is an actuarial estimate of the liability that the Trust will need to fund, this will be over the longer term and the Trustees recognise the need to plan for this.

This risk is mitigated to some extent by the fact that any cessation of running services as a result of changes to the Trust's operating model or ending of contracts, is highly likely to result in staff transferring to a new service provider through a transfer of undertakings (TUPE) along with the associated pension liabilities.

Following the agreed mutual termination of the Wigan contract this risk has now come to pass in respect of the Greater Manchester scheme and both employees and members of the pension scheme transferred back to Wigan Council on the 1st of April 2021 along with their associated pension liabilities.

Specific actions that are already in place to manage the risk are that the Trustees have closed the local government pension schemes it operates to both new and existing non scheme member employees, in order to manage the future financial risk in relation to pension fund deficits. After an evaluation process WLCT has joined the National Employment Savings Trust (NEST) scheme. It is planned that over time a greater proportion of our employees will be part of this, rather than the local government scheme. This will over time achieve greater cost certainty as NEST is a contribution-based scheme rather than a final salary-based scheme. In response to new legislation, employees are "auto-enrolled" into the NEST scheme.

Additionally, any future increased employer contribution rates are forecasted and planned for as part of the budgeted revenue account, and there is an Admitted Body Agreement in place for the largest scheme the Trust operates as an employing body whereby the Local Authority acts as guarantors.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Financial and risk management objectives and policies

We operate a formal risk management process, where Trustees and senior managers together identify top-level risks to the charitable company, their probability, impact and consequent actions necessary to manage them. A formal risk management policy was approved by Trustees in July 2011. This includes Corporate and Operational Risk Registers which are constantly under review.

The current economic climate which has also been overwhelmingly impacted on by the Covid-19 pandemic, influences much of the risk management activity.

Secondly, but also of major significance has been the need to plan and then implement the return of all services to Wigan Council and the total separation from Wigan Council, which was effectively completed at the end of March 2021.

The pandemic has impacted negatively in two ways for the Trust:

- Loss of income from our customers due to both enforced closure of facilities and reduced customer confidence
- Pressures the pandemic has placed on local authority expenditure and ability

Our risk management process enabled the early identification of these risks and the Board approved a Recovery Plan in June 2020, which was reviewed and consistently amended through the subsequent lockdown and recovery periods which occurred throughout the remainder of the year.

Additionally, we continued to work closely with our three major clients to ensure the financial sustainability of the organisation, despite the challenges that emerged from the Wigan separation process.

This was supported by the procurement of external legal advice and specific financial restructuring and recovery advice as detailed in the Chair's statement.

Also, the governance structure and regularity of Board meetings was review and assure appropriate focus and assessment of the ongoing risks and financial pressures was undertaken by Trustees. From November 2020 through to the end of March 2021, the Board met formally on a fortnightly basis, with the two external advisors attending when appropriate.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

The key risks identified for the year 2021/22 were:

Strategic Aim	Risk	How we managed the risk
Experiences that empower people to be responsible for their own lives.	Safe return and recovery of activities and services following pandemic.	Comply with industry guidance and codes of practice approved by activity-specific governing bodies Adjustment of operating models, phased reopening protocols and clearly defined procedures that maximise community safety, health and wellbeing.
Strong partnerships that deliver impact and meet local needs.	The impact of COVID-19 on local authority finances.	Continued dialogue and open book accounting arrangements to support the agreed renegotiated contracts.
Strong partnerships that deliver impact and meet local needs.	Achievement of budget/efficiency reductions to align resource to reduced income expectations post pandemic.	Maximise the attainment of Covid-19 support to support the recovery process and the renegotiated contracts.
Strong partnerships that deliver impact and meet local needs.	Establishment of new arrangements for the provision of business support functions.	Ensure appropriate due diligence in all procurement / partnership processes.
A positive and healthy workforce.	Ensure the safe return, retention, and recruitment of workforce.	Effectively train returning teams and review staff support mechanisms in place. Create a culture of employer of choice in a limited but competitive sector.

The Trust is not exposed to currency risk and has minimal exposure to interest rate risk, price risk or market risk.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

The Trust is not exposed to currency risk and has minimal exposure to interest rate risk, price risk or market risk.

Training in risk assessment is delivered to staff, and a small "Risk and Compliance" team has been established to support this area of work

Fund Raising

The Trustees can confirm that it does not raise funds from the public other than through payment for taking part in the charitable services the Trust provides and has not engaged any professional fundraiser or commercial participator to carry out fundraising activities. The charity has received no complaints about fundraising activity.

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities of the Trust.

The Trust delivers public benefit by:

- Not restricting access to its services to any member of the public, irrespective of their place of residence
- Providing free access to the Museum of Cannock Chase
- Providing access to all leisure facilities at tariffs lower than commercial market tariffs
- Providing free access to weight management and other health related services
- Delivering activities from parks and other open spaces that are open free of charge to the public
- Providing employment opportunities and learning and skills development

During 2020-21 the Trust's delivery was profoundly impacted by the Covid pandemic and this paper considers both the way in which services delivered leisure activities throughout the year and also the wider Covid response support which the trust and its staff provided during the year.

Leisure centres across the organisation made space available for use as testing and vaccine clinics (both flu and Covid-19 vaccination) or as distribution sites for food parcels for vulnerable and shielding residents. Staff from the Wigan Wellbeing team were redeployed into a range of roles assisting the Council Covid response including supporting the track and trace processes, home care, supported living and reablement. Additionally, the trust provided gym equipment and staff to establish a fitness suite at the Mercure Hotel in Wigan, originally as a Covid patient reablement site but subsequently as a sheltered accommodation for homeless and vulnerable people. Gym equipment was also provided to the Brookfield Rehabilitation Centre to enable them to establish a fitness suite. Staff also delivered activity sessions for children in care at Wigan Borough's three residential settings. Across all three contract areas staff were also redeployed or volunteered to support vulnerable people, producing community newsletters and media, to work at food banks and delivering food and medicine parcels and making PPE.

A clear focus of the Trust's business strategy is to ensure that more people are more active, more often so that the health and wellbeing benefits of regular exercise are realised. In 2020 the Active Lives survey ran for the fourth year and in November 2020 the latest results showed that despite the impact of the pandemic there had been an increase in the proportion of active adults in Cannock (57.8% up from 57%), but not surprisingly a decline in Wigan (54% from 61.3%) and Selby (59.3% from 63.2%). Nationally, 61.4% of adults were reported as being active.

During the periods of lockdown a digital fitness and wellbeing offer was developed and launched to support gym members and participants on the Wellbeing programmes to remain active and engaged through the Home Health Hub. This included online fitness classes which were available free of charge to gym members, virtual cycling programmes, children's and family activities and nutritional advice and healthy eating guidance.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Extensive preparations were undertaken during the year to enable sites to open safely during the periods of lockdown easing throughout 2020-21, with the launch of the Leisure Hub online booking system for members to register and pre-book activities and the implementation of the necessary social distancing and sanitation measures at the sites themselves. The requirement to reduce capacity at all activities and the necessity to suspend certain activities for all or part of the opening period impacted on footfall whilst the closure of the pool at Rugeley and the gym at Tadcaster also had an impact. Notwithstanding this the following key performance indicators for the year demonstrate that we had:

- Over 447,000 visits to the leisure centres
- Over 23,405 visits to golf courses

Leisure centres across the three contract areas began to reopen in line with lockdown easing from the end of July until the further lockdown measures were reintroduced in the autumn. To support participants returning safely the Leisure Hub online booking system was launched and some activities and facilities remained suspended or closed throughout the year.

Work continues to be undertaken to understand and demonstrate the wider impact of the leisure services on long-term health and wellbeing, and notwithstanding the profound changes to the organisation in 2021 this work will remain critical and relevant. In Wigan further work was undertaken to align the Trust's performance measurements to the identified needs of the Service Delivery Footprints in order to demonstrate how services are responsive and reflective of the needs in the communities. In Cannock the Cannock Chase Can initiative has reflected to take into account the impact of Covid on existing and new inequalities and to support the Community Recovery Group. An app is in development which will incorporate a Wellbeing Wheel self-assessment tool for participants to set goals and monitor progress.

The Chase Up programme continued throughout the year and whilst some activities had to be postponed owing to the lockdown restrictions work was undertaken to provide ongoing support to the targeted communities of Chadsmoor Springfields and Hednesford North. During 2020 the Grow and Show We Care programme was launched, with over 3000 gardening resource packs distributed across the District for communities to take part in floral displays to promote green activity and to celebrate the work of the health services. Other Wellbeing activities in Cannock included the resumption of weekly working groups at the Stadium Allotments and St Luke's Sensory Garden, the delivery of a summer Chase It! holiday programme for 40 families and support provided to a number of community groups including the Cannock Chase Friends Of group forum and Rugeley Community Church.

The Trust has a clear commitment to improving education and skills, reducing inequalities, increasing lifelong learning and skills opportunities and providing employment opportunities. Working in partnership with our training provider FLM, we have provided work-based learning opportunities for 17 apprentices. Our apprenticeships offer each learner the occupational skills, knowledge and behaviours needed to do a job successfully alongside achieving nationally recognised industry qualifications.

The Museum of Cannock Chase reopened in August for casual visitor usage. Staff also developed a 'busy bag' offer providing a selection of outdoor activity resources enabling families to undertake self-guided sessions.

Although the Prince of Wales Theatre remained closed for the majority of the year, an online series of videos, aimed particularly aimed at the younger audience, were produced covering topics such as prop and puppet making as well as a backstage tour.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRATEGIC REPORT

Future plans

Given the impact of COVID 19 Trustees approved a Recovery Plan in June 2020.

The key priority within the plan provides a focus on the safety of our staff and customers and is intended to ensure a phased transformation, stabilisation and Recovery of the business through a number of objectives, namely:

- A safety-first approach ensuring risk assessments, normal and emergency operating procedures are in place that ensure the safety of our staff and customers.
- Digital first approach - for online bookings, payments and enhanced accessibility to service provision.
- To retain as many members as we can - against the total number of members we had immediately prior to lockdown.
- To build customer confidence.
- To optimise the likelihood of receiving positive feedback - measured specifically by repeat visits, rates of referrals and recommendations.
- To ensure the viability of centres/facilities we operate and products we deliver through safe and efficient operating structures matched against anticipated demand.
- To effectively support and continuously train our teams both from a technical and cultural context.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT
Trustees**

The following people served as Trustees during the year:

D A Bartle
G W Cross
P G Farrington
D A Lea - stood down December 2020
D W Lythgoe
J B Meadows
J Moodie - stood down November 2020
P T Moss
D A Newman
S J Price
E Smethurst - stood down November 2020
E L Wetherby
C J Wilks
D J Wood

Following the end of the 2020/2021 financial year the following Trustees have since stepped down as Trustees.

G W Cross - stood down June 2021
P T Moss - stood down June 2021
D A Bartle - stood down September 2021
D W Lythgoe – stood down October 2021
J B Meadows – stood down October 2021
D A Newman – stood down October 2021
S J Price – stood down December 2021

Additionally during the October 2021 meeting five new Trustees were appointed, J Green, L Peace, P Burt, R Boocock and S Gambles.

The following remaining Trustees have committed to continue to the end of their current terms:-

C J Wilks - Term Ends 31st December 2021 – Extended to 31 December 2022
D J Wood (Chair) - Term Ends 31st December 2021 agreed to a further 3 year term.
E L Wetherby - Term Ends 31st December 2021 agreed to a further 3 year term.
P G Farrington - Term Ends 31st December 2022

The Board of Trustees was set up through a mix of identified specialists / Council nominees and open adverts in the press. Replacement Trustees are recruited in a similar manner. The Board meets on a quarterly cycle.

The Board has four established sub-committees - Audit Committee; Finance and Performance Committee; Human Resources and Health & Safety Committee and the Nominations Committee and their members during 2020/21 are listed below:

Audit Committee:

D Lea; J Moodie; D Newman (Chair); E Wetherby; C Wilks (on maternity leave until October 2021).
The Committee met once during 2020/21.

Human Resources and Health & Safety Committee:

D Bartle; D A Lea; D Lythgoe (Chair); S Price; D Wood.
The Committee did not meet during 2020/21.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

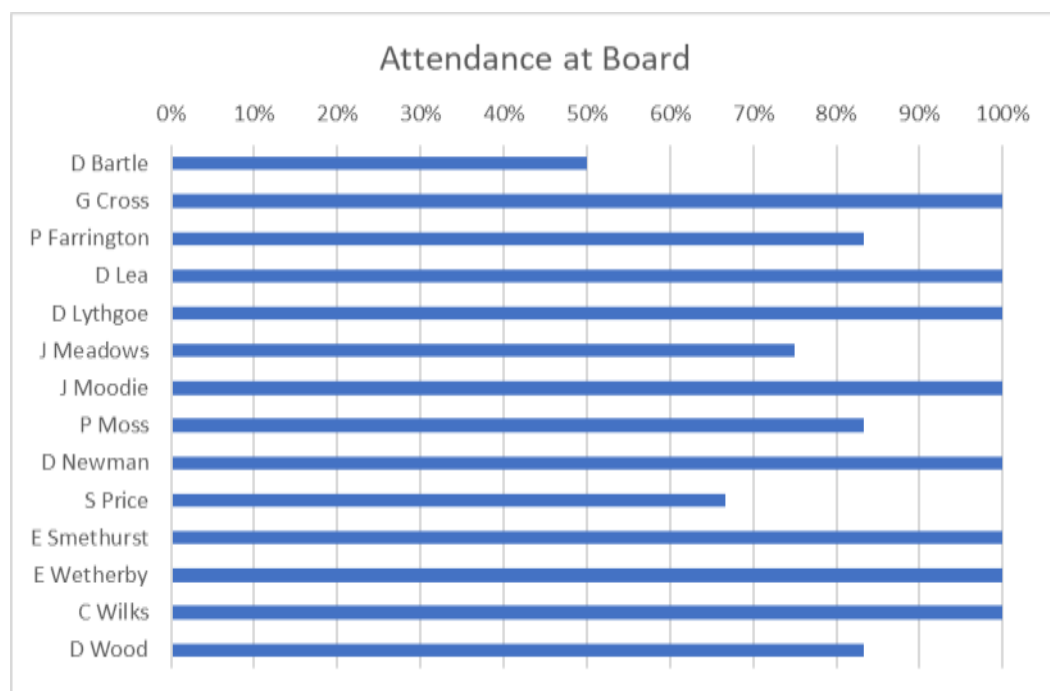
Finance and Performance Committee:

G Cross; P Farrington; J Meadows; P Moss; E Smethurst; P Moss (Chair).
The Committee did not meet during 2020/21.

Nominations Committee

Chair of Trustees; Chair of Finance and Performance Committee; Chair of Audit Committee; Chair of Human Resources and Health & Safety Committee and the Managing Director.
The Committee did not meet during 2020/21.

Trustee's attendance record (based on eligible attendance).



C Wilks was on maternity leave from January 2021 and by agreement did not attend any Board meetings after that date.

J Meadows was also on maternity leave between January and March 2021 and by agreement did not attend any Board meetings after that date.

All Trustees remain active in the organisation and sent apologies to meetings they could not attend.

Trustee training and development

A revised Trustee Handbook forms the basis of Trustee induction, supplemented by familiarisation visits to facilities and events tailored to the interests and needs of the individual Trustee. The handbook is now updated on a regular basis when new information necessitates amendments.

As a result of the pandemic no training was provided to Trustees however external legal and restructuring support was sourced to work alongside the Board and ensure they fulfilled their duties as Trustees.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and rotation of Trustees

The memorandum and articles of the charitable company require Trustees to retire after three years in office. However, they may, if willing, be re-appointed by the Board at a Board meeting at the end of each term of office.

Three Trustees retired by rotation in December 2020. The Board resolved to reappoint three of these Trustees in order to ensure continuity through the organisation's recovery through the pandemic.

Following the planned retirement and stepping down of Trustees during the period June 2021 to October 2021, five new Trustees were appointed to the Board in October 2021.

Decision making

Strategic decisions are made by the Board of Trustees, but operational decisions are the province of the Senior Leadership Team of the Trust. Significant operational decisions are, however, reported to the Board. The memorandum and articles of association allows delegation of all management decisions in accordance with such powers approved by the Board to the Senior Management Team.

Senior Management Team

During 2020/21 members of the Senior Management Team were:

P Burt (Managing Director) – left 30 June 2021

A Watmough (Head of Sport and Leisure Facilities)

D Heaton (Head of Finance and Resources, and Company Secretary)

C Derbyshire (Deputy Managing Director from April 2020) – Appointed Managing Director from 1 July 2021

L Johnson (Head of Wellbeing)

Management Remuneration

The salaries for all roles in the organisation, including senior management, are determined using a pay spine. The pay spine is determined by a mix of benchmarked salaries against market rate, former local authority grades and grades for roles that have transferred into the organisation. Senior and middle management do not receive automatic increments - any increments are performance based through a system of annual appraisals.

Gender Pay Gap

Due to COVID 19 the requirement under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 for the organisation to publish information about the gender pay gap in the organisation was not enforced for 2019/20.

Employee involvement

The charitable company has continued the practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the charitable company. Due to the Covid-19 pandemic, the primary conduit for this has been through email and social media briefings in the form of Regular MD updates and regular briefings of the recognised Trade Unions. In addition, regular written briefings from the Senior Management have been issued throughout the year.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of an employee becoming disabled, every effort is made to retrain them and/or make suitable adjustments in order that their employment with the charitable company may continue.

**INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)**

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

It is the policy of the charitable company that training, career development and promotion opportunities should be available to all employees.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Inspiring Healthy Lifestyles for the purposes of company law) are responsible for preparing the Annual Report 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.

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, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on23..March..2022....|...22:27 signed on the board's behalf by:

Darren J Wood

.....
D Wood – Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSPIRING HEALTHY LIFESTYLES

Opinion

We have audited the financial statements of Inspiring Healthy Lifestyles (Formerly Wigan Leisure and Culture Trust) (the 'charitable company') for the year ended 31 March 2021 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 2021 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 INSPIRING HEALTHY LIFESTYLES

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of laws and regulations that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we have identified included Companies Act 2006, Charities Act 2011, Coronavirus Job Retentions Scheme regulations, data protection, employment, environmental and health & safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting accreditations and legal correspondence.

In assessing the susceptibility of the charitable company's financial statements to material misstatement, including obtaining and understanding of how fraud might occur;

- We gained an understanding of the controls that management have in place to prevent and detect fraud. We enquired of management about any instances of fraud that had taken place during the year.

To address the risk of fraud through management bias and override of controls;

- We performed analytical procedures to identify any unusual or unexpected relationships;
- We tested journal entries to identify unusual transactions; and
- We assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSPIRING HEALTHY LIFESTYLES

We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our report

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

Fairhurst

Jane Dennis BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

24 March 2022 | 07:33 GMT

Date:

INSPIRING HEALTHY LIFESTYLES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 March 2021

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND						
ENDOWMENTS FROM						
Charitable activities						
Management fee from Wigan Council	4	1,988,583	-	-	1,988,583	2,180,895
Wellbeing		2,685,414	509,632	-	3,195,046	2,948,398
Sport and Leisure		10,939,871	127,316	-	11,067,187	18,739,127
Investment income	3	31,215	28,329	-	59,544	103,261
Other income	5	<u>371,262</u>	<u>-</u>	<u>-</u>	<u>371,262</u>	<u>233,932</u>
Total		16,016,345	665,277	-	16,681,622	24,205,613
EXPENDITURE ON						
Raising funds	6	24,400	-	22,257	46,657	43,677
Charitable activities						
Wellbeing	7	2,959,247	220,687	-	3,179,934	3,962,430
Sport and Leisure		<u>15,017,267</u>	<u>290,964</u>	<u>-</u>	<u>15,308,231</u>	<u>20,933,260</u>
Total		18,000,914	511,651	22,257	18,534,822	24,939,367
Net gains/(losses) on investments		<u>268,717</u>	<u>-</u>	<u>251,717</u>	<u>520,434</u>	<u>(206,437)</u>
NET INCOME/(EXPENDITURE)		(1,715,852)	153,626	229,460	(1,332,766)	(940,191)
Transfers between funds	21	<u>(71,682)</u>	<u>71,682</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>(7,661,000)</u>	<u>-</u>	<u>-</u>	<u>(7,661,000)</u>	<u>6,541,000</u>
Net movement in funds		(9,448,534)	225,308	229,460	(8,993,766)	5,600,809
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>4,999,304</u>	<u>456,445</u>	<u>1,839,445</u>	<u>7,295,194</u>	<u>1,694,385</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(4,449,230)</u></u>	<u><u>681,753</u></u>	<u><u>2,068,905</u></u>	<u><u>(1,698,572)</u></u>	<u><u>7,295,194</u></u>

The notes form part of these financial statements

INSPIRING HEALTHY LIFESTYLES
(REGISTERED NUMBER: 04624607)

BALANCE SHEET
31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	1,729,421	2,603,041
Investments	14	<u>4,235,082</u>	<u>3,702,840</u>
		5,964,503	6,305,881
CURRENT ASSETS			
Stocks	15	96,314	113,354
Debtors	16	1,976,791	2,314,309
Cash at bank and in hand		<u>249,114</u>	<u>1,035,175</u>
		2,322,219	3,462,838
CREDITORS			
Amounts falling due within one year	17	<u>(3,537,797)</u>	<u>(4,214,065)</u>
NET CURRENT ASSETS		<u>(1,215,578)</u>	<u>(751,227)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,748,925	5,554,654
CREDITORS			
Amounts falling due after more than one year	18	(885,497)	(872,460)
PENSION (LIABILITY)/ASSET	22	<u>(5,562,000)</u>	<u>2,613,000</u>
NET ASSETS		<u>(1,698,572)</u>	<u>7,295,194</u>
FUNDS	21		
Unrestricted funds		(4,449,230)	4,999,304
Restricted funds		681,753	456,445
Endowment funds		<u>2,068,905</u>	<u>1,839,445</u>
TOTAL FUNDS		<u>(1,698,572)</u>	<u>7,295,194</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 March 2022 | 22:27 GMT and were signed on its behalf by:

Darren J Wood

.....
D Wood – Chair of Trustees

The notes form part of these financial statements

INSPIRING HEALTHY LIFESTYLES

CASH FLOW STATEMENT
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(764,173)</u>	<u>2,113,453</u>
Net cash (used in)/provided by operating activities		<u>(764,173)</u>	<u>2,113,453</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,720)	(1,156,747)
Purchase of fixed asset investments		(11,808)	(504,198)
Sale of fixed asset investments		-	20,000
Interest received		<u>59,544</u>	<u>103,261</u>
Net cash provided by/(used in) investing activities		<u>43,016</u>	<u>(1,537,684)</u>
Cash flows from financing activities			
New loans in year		-	434,158
Capital repayments in year		(42,647)	(604,941)
Expenditure attributable to endowment		<u>(22,257)</u>	<u>(19,452)</u>
Net cash used in financing activities		<u>(64,904)</u>	<u>(190,235)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(786,061)	385,534
Cash and cash equivalents at the beginning of the reporting period		<u>1,035,175</u>	<u>649,641</u>
Cash and cash equivalents at the end of the reporting period		<u><u>249,114</u></u>	<u><u>1,035,175</u></u>

The notes form part of these financial statements

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2021

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,332,766)	(940,191)
Adjustments for:		
Depreciation charges	878,339	858,192
(Gain)/losses on investments	(520,434)	206,437
Interest received	(59,544)	(103,261)
Expenditure attributable to endowment	22,257	19,452
Decrease in stocks	17,040	11,260
Decrease in debtors	337,518	787,294
(Decrease)/increase in creditors	(620,583)	294,270
Difference between pension charge and cash contributions	<u>514,000</u>	<u>980,000</u>
Net cash (used in)/provided by operations	<u>(764,173)</u>	<u>2,113,453</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	<u>1,035,175</u>	<u>(786,061)</u>	<u>249,114</u>
	<u>1,035,175</u>	<u>(786,061)</u>	<u>249,114</u>
Debt			
Finance leases	<u>(1,520,099)</u>	<u>42,647</u>	<u>(1,477,452)</u>
	<u>(1,520,099)</u>	<u>42,647</u>	<u>(1,477,452)</u>
Total	<u>(484,924)</u>	<u>(743,414)</u>	<u>(1,228,338)</u>

The notes form part of these financial statements

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2021

1. COMPANY INFORMATION

Inspiring Healthy Lifestyles (formerly Wigan Leisure and Culture Trust) is a charity (No: 1105278) and a registered company limited by guarantee (No: 04624607) whose registered office is Chase Leisure Centre, Stafford Road, Cannock, WS11 4AL.

The Trust delivers public benefit by providing free access, or access at tariffs lower than commercial market tariffs, to facilities as set out in the report of the trustees.

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 under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are presented in sterling (£).

The Trust constitutes a public benefit entity as defined by FRS 102.

Going Concern

Following the mutual termination of the Wigan Council contract and successful transfer back of services on the 1st of April 2021, agreed Heads of Terms were legally ratified by the Board on a no cost no gain basis.

The Charity has secured contractual and financial support through 'Deeds of Variation' to the two contracts held with Cannock and Selby Councils.

Built around a common set of principles, both Councils have agreed to the ongoing support of the Charity during what will be an extended period of recovery from the pandemic. This will ensure stability and financial sustainability after the loss of what was the core client. Whilst reviewable on an annual basis, these contractual agreements will enable recovery to be achieved accompanied with growth and diversification.

Continued successful negotiations with the Cannock client outside of the 'Deeds of Variation' arrangements has also resulted in this contract being extended for a further five years, taking this contract through to the 31st of March 2027.

Whilst there has been a significant actuarial valuation loss on the defined pension schemes that the organisation participates in, the most material of the losses related to the Greater Manchester scheme, as of the 1st of April 2021 out of 99 members of this scheme 91 members along with their associated pension liabilities transferred to Wigan Council.

The result of the factors outlined above is that the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, (being a period of twelve months after the date on which the report and financial statements are signed), and that going concern assumption is both appropriate and continues to be adopted in the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The trustees consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the group's accounting policies or key sources of estimations uncertainty, other than as stated below:

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

The present value of the three pension schemes defined benefit liabilities depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19 will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuations performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward and approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the group and the income can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Income from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of income can be measured reliably;
- it is probably that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

Donations and Legacies

Donations comprises all income from donations, gifts, core funding grants and investment income.

Donations under Gift Aid together with the associated income tax recoveries are credited as income in the year in which they are received.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Grants receivable and local authority fees

Grants receivable and local authority fees are credited to the statement of financial activities when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Charitable trading income

Charitable trading income represents amounts receivable by the charitable company for services provided aligned with the charitable company's objectives.

Investment income and rental income

Income from investments and from rental income is included in the statement of financial activities in the year in which it is receivable.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

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. Expenditure is classified under the following activity headings:

Costs of raising funds comprise the costs of commercial trading carried out by the subsidiary undertakings.

Expenditure on charitable activities includes the costs of providing services and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred

Charitable activities

Wellbeing - this represents mainly public health contracts with Wigan Council, together with a public health contract based in Selby.

Sport and Leisure - this includes management fees for the Selby sports contract and the sports element of the Cannock management fee. In addition, fees and admission charges for the use of sports facilities are included in this category of income

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Trusts activities. The basis on which support costs have been allocated is set out in note 7.

Tangible fixed assets

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

Leasehold improvements	- Over the period of the lease (15 years)
Plant and equipment	- at varying rates on cost
Computer equipment & software	- 10% to 25% on cost

Tangible fixed assets are initially recognised at cost. Tangible fixed assets are subsequently stated at cost less accumulated depreciation and accumulated impairment losses.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of financial activities.

The financial statements do not include the cost of land, buildings and equipment used at nominal rent by Inspiring Healthy Lifestyles (Formerly Wigan Leisure and Culture Trust), whose title rests with Wigan Council, Selby District Council and Cannock Chase District Council. It is not practicably possible to attribute a value to this benefit.

Investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations throughout the year.

Movements in value arising from investment changes or revaluation and the profit on disposal of investments have been charged or credited to the funds to which they relate.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Investments in subsidiaries are measured at cost less accumulated impairment.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of financial activities over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell.

Taxation

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

Fund accounting

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

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

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

Hire purchase and leasing commitments

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

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

Pension costs and other post-retirement benefits

Defined benefit scheme

The Group participates in three local government pension schemes, all of which are defined benefit, multi-employer arrangements.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group through reduced contributions in the future, in accordance with paragraph 28.22 of FRS 102.

The current and past service costs and costs from settlements and curtailments are included within direct charitable activities. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs within support costs. Actuarial gains and losses are reported separately in the statement of financial activities.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid, the group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. The assets of the plan are held separately from the group in independently administered funds.

Employee termination benefits

Redundancy costs are provided for in the year in which they are notified publicly or to employees

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income and expenditure account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

The company holds fixed asset investments in the form of managed portfolios which include a combination of quoted holdings and cash. These are initially recognised at transaction price then are subsequently re-measured at their fair value, which is market rate at the close of business. Recognised and unrecognised profit/(loss) are recognised in the statement of financial activities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Bank Deposits	1,079	-	-	1,079	35,886
Investment portfolio income	<u>30,136</u>	<u>28,329</u>	<u>-</u>	<u>58,465</u>	<u>67,375</u>
	<u>31,215</u>	<u>28,329</u>	<u>-</u>	<u>59,544</u>	<u>103,261</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Wigan Council £	Wellbeing £	Sport and Leisure £	2021 Total £	2020 Total £
Management	1,988,583	-	-	1,988,583	2,180,895
Membership income	-	-	2,847,112	2,847,112	12,617,815
Outdoor activities	-	82,745	40,129	122,874	726,356
Public health	-	1,751,102	-	1,751,102	1,988,809
Sports hires	-	-	269,322	269,322	1,085,386
Cultural	-	-	22,165	22,165	557,235
Other	-	215,597	2,460,815	2,676,412	4,328,786
Covid related grants (see below)	<u>-</u>	<u>635,970</u>	<u>5,300,328</u>	<u>5,936,298</u>	<u>-</u>
Unrestricted income	1,988,583	2,685,414	10,939,871	15,613,868	23,485,282
Restricted income (note 21)	<u>-</u>	<u>509,632</u>	<u>127,316</u>	<u>636,948</u>	<u>367,118</u>
Total activities	<u>1,988,583</u>	<u>3,195,046</u>	<u>11,067,187</u>	<u>16,250,816</u>	<u>23,852,420</u>

Covid Related Grants

	Wellbeing £	Sport and Leisure £	2021 Total £	2020 Total £
Coronavirus Job Retention Scheme Grant	566,136	3,785,813	4,351,949	-
Leisure and Retail Grant	20,000	165,000	185,000	-
Local Restrictions Support Grant	5,670	191,788	197,458	-
National Leisure Recovery Fund	-	465,440	465,440	-
Local Government Closed Premises Grant	9,000	136,000	145,000	-
Wigan Council Furlough Top Up	35,164	224,922	260,086	-
Cannock Council Furlough Top Up	-	116,365	116,365	-
Selby Council Covid Uplift	<u>-</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>
Total Covid Related Grants	<u>635,970</u>	<u>5,300,328</u>	<u>5,936,298</u>	<u>-</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Miscellaneous credits	<u>371,262</u>	<u>-</u>	<u>-</u>	<u>371,262</u>	<u>233,932</u>

6. RAISING FUNDS

Investment management costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Portfolio management	<u>24,400</u>	<u>-</u>	<u>22,257</u>	<u>46,657</u>	<u>43,677</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Wellbeing	2,554,899	625,035	3,179,934
Sport and Leisure	<u>12,924,736</u>	<u>2,383,495</u>	<u>15,308,231</u>
	<u>15,479,635</u>	<u>3,008,530</u>	<u>18,488,165</u>

	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total Funds	2020 Total Funds
Direct costs					
Staff costs	9,739,799	244,729	-	9,984,528	12,308,141
Establishment	1,871,707	-	-	1,871,707	2,927,549
Transport	29,975	213	-	30,188	150,800
Supplier services	1,234,134	184,285	-	1,418,419	3,344,494
Agency costs	129,610	-	-	129,610	346,273
General support	597,892	5,000	-	602,892	1,342,608
Depreciation	854,868	-	-	854,868	774,458
Contract termination fee	<u>510,000</u>	<u>77,423</u>	<u>-</u>	<u>587,423</u>	<u>-</u>
	<u>14,967,985</u>	<u>511,650</u>	<u>-</u>	<u>15,479,635</u>	<u>21,194,323</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

8. SUPPORT COSTS

	Management £	Finance £	Information technology £	Human resources £
Wellbeing	62,509	54,255	192,735	6,043
Sport and Leisure	<u>243,783</u>	<u>157,590</u>	<u>751,626</u>	<u>23,570</u>
	<u>306,292</u>	<u>211,845</u>	<u>944,361</u>	<u>29,613</u>
			Governance costs £	Totals £
Wellbeing	192,869	13,554	55,740	625,035
Sport and Leisure	<u>752,133</u>	<u>52,853</u>	<u>217,355</u>	<u>2,383,495</u>
	<u>945,002</u>	<u>66,407</u>	<u>273,095</u>	<u>3,008,530</u>

Cost allocation includes an element of judgement and the charitable company has had to consider the cost benefit of detailed calculations and record keeping. Support costs have been allocated according to the number of full time equivalent staff within each charitable activity.

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

Governance costs

	Wellbeing £	Sport and Leisure £	2021 Total activities £	2020 Total activities £
Trustees' expenses	235	917	1,152	1,023
Wages	36,433	142,069	178,502	157,129
Social security	4,386	17,102	21,488	19,306
Pensions	6,457	25,178	31,635	30,797
Auditors' remuneration	7,468	29,122	36,590	27,645
Sundries	354	1,381	1,735	2,179
Accountancy and legal fees	<u>407</u>	<u>1,586</u>	<u>1,993</u>	<u>1,958</u>
	<u>55,740</u>	<u>217,355</u>	<u>273,095</u>	<u>240,037</u>

9. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditors' remuneration	36,590	27,645
Depreciation - owned assets	144,510	241,985
Depreciation - assets on hire purchase contracts and finance leases	<u>733,830</u>	<u>616,207</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

	2021	2020
	£	£
Trustees' expenses	<u>1,152</u>	<u>1,023</u>

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	9,564,104	11,211,572
Social security costs	632,836	706,994
Other pension costs	<u>1,191,155</u>	<u>1,757,025</u>
	<u>11,388,095</u>	<u>13,675,591</u>

The number of full-time equivalents permanent employees of the charitable group was as follows:

	2021	2020
Business development and financial services	37	43
Sport and leisure	274	328
Wellbeing	70	87
Senior management team	<u>5</u>	<u>5</u>
	<u>386</u>	<u>463</u>

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

	2021	2020
Business development and financial	38	47
Sport and leisure	403	465
Wellbeing	92	120
Senior management team	<u>5</u>	<u>5</u>
	<u>538</u>	<u>637</u>

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

	2021	2020
£60,001 - £70,000	4	4
£80,001 - £90,000	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>

Key management personnel remunerations including contributions to pension schemes totalled £425,434 (2020: £411,779).

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Management fee from Wigan Council	2,180,895	-	-	2,180,895
Wellbeing	2,706,717	241,681	-	2,948,398
Sport and Leisure	18,597,670	141,457	-	18,739,127
Investment income	37,965	65,296	-	103,261
Other income	233,932	-	-	233,932
Total	23,757,179	448,434	-	24,205,613
EXPENDITURE ON				
Raising funds	24,225	-	19,452	43,677
Charitable activities				
Wellbeing	3,774,095	188,335	-	3,962,430
Sport and Leisure	20,796,321	136,939	-	20,933,260
Total	24,594,641	325,274	19,452	24,939,367
Net gains/(losses) on investments	(88,801)	-	(117,636)	(206,437)
NET INCOME/(EXPENDITURE)	(926,263)	123,160	(137,088)	(940,191)
Transfers between funds	109,819	(109,819)	-	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	6,541,000	-	-	6,541,000
Net movement in funds	5,724,556	13,341	(137,088)	5,600,809
RECONCILIATION OF FUNDS				
Total funds brought forward	(725,252)	443,104	1,976,533	1,694,385
TOTAL FUNDS CARRIED FORWARD	4,999,304	456,445	1,839,445	7,295,194

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

13. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and equipment £	Computer equipment & software £	Totals £
COST				
At 1 April 2020	928,644	6,551,922	463,113	7,943,679
Additions	-	4,720	-	4,720
At 31 March 2021	928,644	6,556,642	463,113	7,948,399
DEPRECIATION				
At 1 April 2020	731,121	4,154,060	455,457	5,340,638
Charge for year	112,520	758,164	7,656	878,340
At 31 March 2021	843,641	4,912,224	463,113	6,218,978
NET BOOK VALUE				
At 31 March 2021	85,003	1,644,418	-	1,729,421
At 31 March 2020	197,523	2,397,862	7,656	2,603,041

The net book value of tangible fixed assets includes £ 1,596,628 (2020 - £ 2,325,738) in respect of assets held under hire purchase contracts.

On 1st April 2021 assets with a netbook value of £1,185,353 along with the respective hire purchase contracts were transferred to Wigan Council following the contract termination and under the terms of the settlement agreement.

14. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2021 £	2020 £
Listed investments (a)	2,145,949	1,871,496
Listed investments (restricted) (b)	2,089,132	1,831,343
Investment in subsidiary (c)	1	1
	<u>4,235,082</u>	<u>3,702,840</u>

The listed investments are managed portfolios held with Tilney Investment Management. They are carried at the fair value for the portfolio at the balance sheet date.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Charity is reliant on dividend yield to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

14. FIXED ASSET INVESTMENTS - continued

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular five-year period will normally be corrected.

The investment in subsidiary is valued at cost.

(a) Listed investments

	2021 £	2020 £
Market value at 1 April	1,871,496	1,946,557
Investment income	30,136	37,968
Management fees	(24,400)	(24,225)
Realised/unrealised profits on revaluation	268,717	(88,801)
Market value at 31 March	<u>2,145,949</u>	<u>1,871,496</u>

The investments held within the portfolio are as follows:

	2021 £	2020 £
Investments listed on a recognised stock exchange	1,902,356	1,751,834
Cash balances	<u>243,593</u>	<u>119,662</u>
	<u>2,145,949</u>	<u>1,871,496</u>

The historic cost of individual investments (including cash balances) is £1,956,079 (2020 £1,925,857)

Investments forming more than 5% of the value of the investment portfolio are as follows:

	2021 £
Cash balances	243,593
Ishares £ index-linked gilts UCITS ETF	114,414

(b) Listed investments (restricted)

	2021 £	2020 £
Market value at 1 April	1,831,343	1,478,522
Cash injected	-	480,500
Investment income	28,329	29,410
Cash withdrawn	-	(20,000)
Management fees	(22,257)	(19,452)
Realised/unrealised profits (loss)	<u>251,717</u>	<u>(117,637)</u>
Market value at 31 March	<u>2,089,132</u>	<u>1,831,343</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

14. FIXED ASSET INVESTMENTS - continued

The investments held within the portfolio are as follows::

	2021 £	2020 £
Investments listed on a recognised stock exchange	1,849,467	1,667,609
Cash balances	239,665	163,734
	<u>2,089,132</u>	<u>1,831,343</u>

The historic cost of individual investments (including cash balances) is £1,923,751 (2020: £1,933,522).

Investments forming more than 5% of the value of the investment portfolio are as follows:

	2021 £
Index linked gilts	130,856
Core FTSE 100 UCITS ETF	108,185
Cash balances	239,665

c) Investment in subsidiary undertaking

	2021 £	2020 £
Investment in subsidiary	1	1

The charitable company had the following subsidiary undertaking incorporated in England:

Name of subsidiary	Company number	Class of share capital held	Proportion held by parent company	Aggregate capital & reserves£	Nature of business
Inspiring Healthy Lifestyles	04639273	Ordinary shares of £1 each	100%	1	Dormant throughout 2021 and 2020.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021**15. STOCKS**

	2021	2020
	£	£
Raw materials and consumables	17,633	32,175
Finished goods & goods for res ale	<u>78,681</u>	<u>81,179</u>
	<u>96,314</u>	<u>113,354</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	274,577	1,053,294
Amounts owed by Wigan Council	425,553	636,313
Other debtors	1,206,809	458,442
Prepayments and accrued income	<u>69,852</u>	<u>166,260</u>
	<u>1,976,791</u>	<u>2,314,309</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Finance leases (see note 19)	591,955	647,639
Trade creditors	702,867	1,369,204
Amounts owed to Wigan Council	331,957	85,584
Other taxation and social security	641,854	476,192
Other creditors	593,209	24,433
Accruals and deferred income	672,486	1,611,013
Accrued expenses	<u>3,469</u>	<u>-</u>
	<u>3,537,797</u>	<u>4,214,065</u>

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

	2021	2020
	£	£
Finance leases (see note 19)	<u>885,497</u>	<u>872,460</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

19. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	591,955	647,639
Between one and five years	<u>885,497</u>	<u>872,460</u>
	<u>1,477,452</u>	<u>1,520,099</u>

On 1st April 2021 leases due within one year of £443,255 and due between one and five years of £607,602 along with the associated assets were transferred to Wigan Council following the contract termination and under the terms of the settlement agreement.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Endowment fund £	2021 Total funds £	2020 Total funds £
Fixed assets	1,729,421	-	-	1,729,421	2,603,041
Investments	1,570,956	574,993	2,089,133	4,235,082	3,702,840
Current assets	2,134,566	187,652	1	2,322,219	3,462,838
Current liabilities	(3,436,676)	(80,892)	(20,229)	(3,537,797)	(4,214,065)
Long term liabilities	(885,497)	-	-	(885,497)	(872,460)
Pension (liability)/asset	<u>(5,562,000)</u>	<u>-</u>	<u>-</u>	<u>(5,562,000)</u>	<u>2,613,000</u>
	<u>(4,449,230)</u>	<u>681,753</u>	<u>2,068,905</u>	<u>(1,698,572)</u>	<u>7,295,194</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

21. MOVEMENT IN FUNDS

	At 1/4/20 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	At 31/03/21 £
Restricted funds						
Highams Bequest	71,181	28,329	-	-	-	99,510
Summit Indoor Adventure Sinking Fund	61,403	-	(77,423)	-	16,020	-
Haigh Kitchen Courtyard Sinking Fund	70,000	-	-	-	20,000	90,000
Cannock Sinking Fund	-	-	-	-	50,000	50,000
Wellbeing						
Active Living	20,369	-	(7,295)	-	-	13,074
SDU - Satellite Clubs Programme	10,040	-	-	-	-	10,040
SDU Believe Talent Fund	10,000	-	-	-	-	10,000
SDU - Cannock	2,350	-	-	-	-	2,350
Selby Additional Commissioning MILI	14,803	34,349	(10,622)	-	1	38,531
Selby Sports	1	-	-	-	(1)	-
Greater Manchester Arts 2012 and 2013	28,072	-	-	-	-	28,072
Greater Manchester Arts 2014	560	-	-	-	-	560
Greater Manchester Arts 2015	2,829	-	-	-	-	2,829
GM Active	60,324	53,832	(81,774)	-	-	32,382
Active Care Homes	18,047	-	(3,709)	-	(14,338)	-
GM Active – Sport England	-	80,000	(43,875)	-	-	36,125
Digital Cycling	-	32,800	(16,836)	-	-	15,964
Culture Recovery Fund	-	308,651	(189,275)	-	-	119,376
Sport and Leisure						
Haigh Golf Course	3,101	-	-	-	-	3,101
Heritage - MOCC Cannock	1	-	-	-	(1)	-
Arts - Wigan Link for Life	15,218	-	-	-	-	15,218
Arts - Cannock	4,144	6,193	(1,250)	-	-	4,144
Arts - Cannock Grow up Great	527	-	-	-	1	528
Chase IT External Funding	3,805	13,825	-	-	-	17,630
Chase UP External Funding	43,374	89,646	(45,644)	-	-	87,376
Iron Bridge Gorge	-	2,952	(2,952)	-	-	-
Coach Core Funding	16,296	14,700	(30,996)	-	-	-
	<u>456,445</u>	<u>665,277</u>	<u>(511,651)</u>	<u>-</u>	<u>71,682</u>	<u>681,753</u>
Endowment funds						
Highams Endowment Fund	<u>1,839,445</u>	<u>-</u>	<u>(22,257)</u>	<u>251,717</u>	<u>-</u>	<u>2,068,905</u>
Unrestricted funds						
Transformation fund	-	-	-	-	600,000	600,000
Pension reserve fund	2,613,000	-	(514,000)	(7,661,000)	-	(5,562,000)
General fund	<u>2,386,304</u>	<u>16,592,109</u>	<u>(18,062,678)</u>	<u>268,717</u>	<u>(671,682)</u>	<u>512,770</u>
Total unrestricted funds	<u>4,999,304</u>	<u>16,592,109</u>	<u>(18,576,678)</u>	<u>(7,392,283)</u>	<u>(71,682)</u>	<u>(4,449,230)</u>
TOTAL FUNDS	<u>7,295,194</u>	<u>17,257,386</u>	<u>(19,110,586)</u>	<u>(7,140,566)</u>	<u>-</u>	<u>(1,698,572)</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

21. MOVEMENT IN FUNDS - continued

Comparatives	At 1/4/19 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	At 31/03/20 £
Restricted funds						
Leigh Sports Centre	101,181	-	-	-	(101,181)	-
Highams Bequest	21,278	65,296	(15,393)	-	-	71,181
Summit Indoor Adventure Sinking Fund	45,383	16,020	-	-	-	61,403
Haigh Kitchen Courtyard Sinking Fund	-	-	-	-	70,000	70,000
Wellbeing						
Active Living	10,656	57,942	(48,229)	-	-	20,369
Back To Sport	3,322	-	(3,322)	-	-	-
Community Engagement	5,915	-	(5,915)	-	-	-
SDU - Satellite Clubs Programme	-	10,040	-	-	-	10,040
SDU Believe Talent Fund	14,110	10,000	(14,110)	-	-	10,000
SDU - Cannock	3,904	-	(1,554)	-	-	2,350
Selby Additional Commissioning MILI	16,936	14,803	(16,936)	-	-	14,803
Selby Sports	13,132	-	(13,131)	-	-	1
Greater Manchester Arts 2012 and 2013	28,072	-	-	-	-	28,072
Greater Manchester Arts 2014	560	-	-	-	-	560
Greater Manchester Arts 2015	2,829	-	-	-	-	2,829
GM Active	14,613	130,000	(84,289)	-	-	60,324
Active Care Homes	-	18,896	(849)	-	-	18,047
Sport and Leisure						
Wildlife & Countryside Development	89,791	8,390	(19,543)	-	(78,638)	-
Haigh Golf Course	3,907	-	(806)	-	-	3,101
Selby Park	3,000	-	(3,000)	-	-	-
Heritage - MOCC Cannock	2,000	2,591	(4,590)	-	-	1
Arts - Wigan Link for Life	15,217	13,983	(13,982)	-	-	15,218
Arts - Cannock	3,509	635	-	-	-	4,144
Arts - Cannock Grow up Great	4,767	-	(4,240)	-	-	527
Chase IT External Funding	4,022	657	(874)	-	-	3,805
Chase UP External Funding	35,000	47,731	(39,357)	-	-	43,374
Coach Core Funding	-	51,450	(35,154)	-	-	16,296
	<u>443,104</u>	<u>448,434</u>	<u>(325,274)</u>	<u>-</u>	<u>(109,819)</u>	<u>456,445</u>
Endowment funds						
Highams Endowment Fund	<u>1,976,533</u>	<u>-</u>	<u>(19,452)</u>	<u>(117,636)</u>	<u>-</u>	<u>1,839,445</u>
Unrestricted funds						
Haigh kitchen courtyard sinking fund	50,000	-	-	-	(50,000)	-
Digital transformation designated reserve	180,000	-	-	-	(180,000)	-
Pay & rewards designated reserve	300,000	-	-	-	(300,000)	-
Pension reserve fund	(2,948,000)	-	(980,000)	6,541,000	-	2,613,000
General fund	<u>1,692,748</u>	<u>23,757,179</u>	<u>(23,614,641)</u>	<u>(88,801)</u>	<u>639,819</u>	<u>2,386,304</u>
Total unrestricted funds	<u>(725,252)</u>	<u>23,757,179</u>	<u>(24,594,641)</u>	<u>6,452,199</u>	<u>109,819</u>	<u>4,999,304</u>
TOTAL FUNDS	<u>1,694,385</u>	<u>24,205,613</u>	<u>(24,939,367)</u>	<u>6,334,563</u>	<u>-</u>	<u>7,295,194</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

21. MOVEMENT IN FUNDS - continued

Restricted Funds

Wellbeing - predominately relates to the delivery of contracted Public Health programmes and funding from other external bodies in order to provide health and wellbeing services and the development of community health projects.

Sports & Leisure – External funding for the delivery of a number of projects including the Chase IT project which delivers Active Camps and Activities to disadvantaged and disabled children and the Chase Up project which is a community health and wellbeing project focused on using and developing greenspaces within Cannock Chase.

The Haigh Kitchen Courtyard and the Summit Indoor Adventure relate to sinking funds set up and agreed by the Board and as a condition of the contract and leases. During the year the Summit Indoor Adventure contract was terminated and the restricted sinking fund transferred to creditors.

The Cannock sinking fund relates to the required support and investment into the ATP/Pool at Rugeley LC in line with the agreement of the Board and contractual client.

Highams Endowment and Bequest – the bequest fund is the accumulated income generated from the endowment after the costs for the provision of military bands in Mesnes Park, which is a condition of the bequest.

During the year the Board confirmed that there were no further restrictions or obligations relating to the Active Care Homes fund.

Designated Funds

During the year the board has designated £600,000 for the transformation of the organisation including the implementation of a number of key projects inclusive of :- (Digitisation/Web Development, HR/Payroll, Re-procurement of the ICT contract and Pay & Rewards review).

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company participates in three defined benefit pension schemes. A summary is set out below:

	Total	Greater	North	Staffordshire
	£	Manchester	Yorkshire	£
		£	£	
Surplus at 1 April 2020	2,613,000	741,000	1,064,000	808,000
Pension scheme operating charge	(568,000)	(351,000)	2,000	(219,000)
Pension finance (costs)/credits	54,000	13,000	25,000	16,000
Actuarial gains/(losses)	<u>(7,661,000)</u>	<u>(7,174,000)</u>	<u>367,000</u>	<u>(854,000)</u>
Surplus/(deficit) at 31 March 2021	<u>(5,562,000)</u>	<u>(6,771,000)</u>	<u>1,458,000</u>	<u>(249,000)</u>

The amounts recognised in the balance sheet are as follows:

	Total	Greater	North	Staffordshire
	£	Manchester	Yorkshire	£
		£	£	
Present value of funded obligations	(107,347,000)	(95,011,000)	(3,180,000)	(9,156,000)
Fair value of plan assets	<u>101,785,000</u>	<u>88,240,000</u>	<u>4,638,000</u>	<u>8,907,000</u>
(Deficit)/ Surplus at 31 March 2021	<u>(5,562,000)</u>	<u>(6,771,000)</u>	<u>1,458,000</u>	<u>(249,000)</u>

The total amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	1,084,000	1,603,000
Net interest from net defined benefit (asset)/liability	54,000	(78,000)
Past service cost	-	43,000
	<u>1,138,000</u>	<u>1,568,000</u>

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

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	81,956,000	98,547,000
Current service cost	1,084,000	1,603,000
Past service cost	-	43,000
Contributions by scheme participants	210,000	229,000
Interest cost	1,875,000	2,377,000
Actuarial losses/(gains)	24,226,000	(18,787,000)
Benefits paid	<u>(2,004,000)</u>	<u>(2,056,000)</u>
	<u>107,347,000</u>	<u>81,956,000</u>

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	84,569,000	95,599,000
Interest income	1,929,000	2,299,000
Contributions by employer	516,000	744,000
Contributions by scheme participants	210,000	229,000
Actuarial gains/(losses)	16,565,000	(12,246,000)
Benefits paid	<u>(2,004,000)</u>	<u>(2,056,000)</u>
	<u>101,785,000</u>	<u>84,569,000</u>

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

	2021	2020
	£	£
Changes in financial assumptions	(23,589,000)	10,237,000
Changes in demographic assumptions	(508,000)	2,868,000
Other experience	851,000	5,682,000
Return on assets excluding net interest	<u>15,585,000</u>	<u>(12,246,000)</u>
	<u>(7,661,000)</u>	<u>6,541,000</u>

The impact of the McCloud judgement has been allowed for in 2020 and is recognised in past service cost and in other experience.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

**Greater Manchester Pension Fund
Defined Benefit Scheme**

The charitable company has established a funded defined benefit pension scheme for eligible employees. With effect from 1 April 2003, following the transfer of employees from Wigan Metropolitan Borough Council to the group, the employees of the group have remained as members of the Greater Manchester Pension Fund.

The Greater Manchester Pension Fund, a final salary defined benefit scheme, is administered in accordance with the Local Government Pension Scheme Regulations 1997. For the purposes of FRS 102 it has been possible to identify the charitable company's share of the underlying assets and liabilities of the Greater Manchester Pension Fund.

The assets of the scheme are invested and managed independently of the finances of the Charity. The pension costs relating to this scheme is calculated on the projected unit method and is assessed with the advice of a qualified actuary. The latest actuarial assessment of this scheme was on 31 March 2019 and was carried out by Hyman Robertson LLP, an independent actuary. The next full actuarial valuation will take place as at 31 March 2022

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

	Defined benefit pension plans	
	2021	2020
Equities	72%	69%
Bonds	12%	15%
Property	7%	7%
Cash	9%	9%
	<u>100%</u>	<u>100%</u>

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

	2021	2020
Discount rate	2.05%	2.30%
Future salary increases	3.55%	2.60%
Future pension increases	2.80%	1.80%

	2021		2020	
	Males	Females	Males	Females
	Years	Years	Years	Years
Current pensioners	20.5	23.3	20.5	23.1
Future pensioners	21.9	25.3	22.0	25.0

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

**North Yorkshire Pension Fund
Defined Benefit Scheme**

With effect from 1 September 2009, following the transfer of employees from Selby District Council to the charitable company, the transferred employees of the charitable company have remained as members of the North Yorkshire Pension Fund.

The North Yorkshire Pension Fund, a final salary defined benefit scheme, is administered in accordance with the Local Government Pension Scheme Regulations 1997. For the purposes of FRS 102 it has been possible to identify the charitable company's share of the underlying assets and liabilities of the North Yorkshire Pension Fund.

The assets of the scheme are invested and managed independently of the finances of the Charity. The pension costs relating to this scheme is calculated on the projected unit method and is assessed with the advice of a qualified actuary. The latest actuarial assessment of this scheme was on 31 March 2019 and was carried out by Aon Hewitt Limited, an independent actuary. The next full actuarial valuation will take place as at 31 March 2022.

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

	Defined benefit pension plans	
	2021	2020
Equities	57.8%	58.5%
Bonds - Government	16.2%	19.1%
Bonds - Corporate	2.1%	-
Property	6.1%	7.3%
Cash	3.3%	4.1%
Other	14.5%	11.0%
	<u>100%</u>	<u>100%</u>

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

	2021	2020
Discount rate	2.10%	2.30%
Future salary increases	3.85%	3.15%
Future pension increases	2.60%	1.90%

	2021		2020	
	Males Years	Females Years	Males Years	Females Years
Current pensioners	21.9	24.0	21.8	23.9
Future pensioners	23.6	25.8	23.5	25.7

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

**Staffordshire Pension Fund
Defined Benefit Scheme**

With effect from 1 April 2013, following the transfer of employees from Cannock District Council to the charitable company, the transferred employees of the charitable company have remained as members of the Staffordshire Pension Fund.

The Staffordshire Pension Fund, a final salary defined benefit scheme, is administered in accordance with the Local Government Pension Scheme Regulations 1997. For the purposes of FRS 102 it has been possible to identify the charitable company's share of the underlying assets and liabilities of the Staffordshire Pension Fund.

The assets of the scheme are invested and managed independently of the finances of the Charity. The pension's costs relating to this scheme is calculated on the projected unit method and is assessed with the advice of a qualified actuary. The latest actuarial assessment of this scheme was on 31 March 2019 and was carried out by Hyman Robertson LLP, an independent actuary. The next full actuarial valuation will take place as at 31 March 2022.

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

	Defined benefit pension plans	
	2021	2020
Equities	71%	65%
Bonds	17%	23%
Property	8%	10%
Cash	4%	2%
	<u>100%</u>	<u>100%</u>

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

	2021	2020
Discount rate	2.05%	2.3%
Future salary increases	3.20%	2.2%
Future pension increases	2.80%	1.8%

	2021		2020	
	Males	Females	Males	Females
	Years	Years	Years	Years
Current pensioners	21.4	24.0	21.2	23.6
Future pensioners	22.5	25.7	22.1	25.0

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

24. POST BALANCE SHEET EVENTS

On the 1st April 2021 the Wigan contract was terminated through mutual agreement. All staff that were part of the Wigan Contract or support services took part in a consultation process and were either transferred to Wigan MBC via TUPE on 1st April 2021 or were retained within the charity. This transfer also included their pension service record and associated defined benefit pension liabilities. The contract was settled on a zero compensation basis with a settlement statement of assets and liabilities drawn up as at midnight 31 March 2021.

On 31 March 2021 the value of the liability for those staff in the Greater Manchester Pension Fund was £6,771,000. On the 1st April 2021 91 of a total 99 employees transferred to Wigan MBC via TUPE along with their associated pension liabilities.

The termination of the Wigan contract does not constitute a discontinuation of charitable activities as Sports, Leisure and Wellbeing activities will continue to be offered at the other geographical locations.