

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
INSPIRING HEALTHY LIFESTYLES  
(A COMPANY LIMITED BY GUARANTEE)**

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 2022**

	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Chair's Introduction - Annual Review</b>	2
<b>Report of the Trustees</b>	3 to 14
<b>Report of the Independent Auditors</b>	15 to 18
<b>Statement of Financial Activities</b>	19
<b>Balance Sheet</b>	20
<b>Cash Flow Statement</b>	21
<b>Notes to the Cash Flow Statement</b>	22
<b>Notes to the Financial Statements</b>	23 to 45

**INSPIRING HEALTHY LIFESTYLES**

**REFERENCE AND ADMINISTRATIVE DETAILS  
for the Year Ended 31 March 2022**

<b>TRUSTEES</b>	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) C J Wilks 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 E Green (appointed 15/10/2021) L Peace (appointed 15/10/2021)
<b>COMPANY SECRETARY</b>	D M Heaton
<b>REGISTERED OFFICE</b>	Unity House Westwood Park Drive Wigan WN3 4HE
<b>REGISTERED COMPANY NUMBER</b>	04624607 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1105278
<b>AUDITORS</b>	Fairhurst Statutory Auditor Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB
<b>BANKERS</b>	The Co-operative Bank plc PO Box 101 1 Balloon Street Manchester M60 4EP  The NatWest Bank 4 Standishgate Wigan Lancashire WN1 1UE

## **INSPIRING HEALTHY LIFESTYLES**

### **CHAIR'S INTRODUCTION - ANNUAL REVIEW for the Year Ended 31 March 2022**

It is with an immense sense of pride that I reflect on what the Charity has achieved in the last twelve months. Having completed the transfer of services back to Wigan Council, the core team retained have shown enormous dedication to develop new ways of working that build effective partnerships, safeguarding the delivery of services and protecting against the ongoing effects and changing expectations resulting from Covid.

We have continued to seek opportunities to invest in our leisure offer and this year we have seen significant investment at Rugeley Leisure Centre in Cannock Chase. The facility has undergone a complete refurbishment of the pool hall, a new state-of-the-art, outdoor 3G artificial grass pitch, with low energy LED floodlights (commissioned in conjunction with Cannock Chase District Council and the Football Foundation), new flooring in the centre's two squash courts and extended car parking facilities with electric vehicle charging points.

Thanks to the support of the Cultural Recovery Fund (Arts Council) we have also been able to invest in our Arts and Heritage services. Focussing on new ways to engage people we have developed both our digital offer and ways to attract people to outdoor activities.

We were also proud to host the National Schools Shooting Championships, welcoming 300 young athletes and a host of British shooting sport stars. The event saw the UK's very best pistol and air rifle competitors, aged 11-18, representing over 140 schools at the two-day event at the centre. In collaboration with British Shooting, we were able to extend the event and introduce local students to the sport. As a personal highlight from the year, I'm already looking forward to next years competition.

The recovery and progress achieved over the last 12 months would not have been possible without the valued support and commitment of the Board. I'd like to thank Della Bartle, Paul Moss, David Lythgoe, Jenny Meadows, David Newman and Sue Price who retired from the Board during the year, having ensured the safe transformation of the organisation. I'd also like to thank Gareth Cross who, in his role as Chair for many years, demonstrated a devotion to the success of the organisation in supporting residents to live active and healthy lives.

Looking forward, I would like to thank our new Board members who have already contributed their expertise to help shape and guide the governance and strategic direction of the charity alongside our other Board members.

After 17 years with the charity, Pete Burt retired from his role as Managing Director handing over the reigns to long term colleague and Deputy Managing Director, Chris Derbyshire. Pete's contribution to the organisation has ensured it is now recognised both locally and nationally as a trusted partner of leisure and cultural services. On behalf of the Board, I would like to thank him for his leadership of the organisation which has seen it grow geographically into the Selby and Cannock Chase Districts and working with partners, investment into facilities and programmes ensuring the charity continues to deliver the very best for the residents it serves. I look forward to working with Chris in his new role and am confident that under his direction the charity will continue to grow its impact and reach, and will work with our partners to seek opportunities to improve access to products and services.

Darren Wood,  
**Chair of Trustees**

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

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 2022. 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.

Following agreement from the Board in June, the organisation formerly changed its name to Inspiring Healthy Lifestyles on the 1st of December 2021, reflecting the brand name which the company has made substantial use of in the recent years and ceasing the association with Wigan.

As resolved by the Board the organisation's trading company Inspiring healthy lifestyles ltd was renamed Inspiring healthy lifestyles enterprises ltd to facilitate the renaming of the parent company and subsequently dissolved on the 7th of June 2022.

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 2022**

**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**

During 2021/22 the organisation continued to face operational challenges due to the ongoing impact of the Covid-19 pandemic, in view of this the key objectives outlined in the recovery plan approved by the Trustees in June 2020 continued to be progressed with the outcomes noted below:

- *A safety-first approach ensuring risk assessments, normal and emergency operating procedures are in place that ensure the safety of our staff and customers*

New arrangements for Health and Safety advice and support were adopted in June 2021.

Over the course of the year focus was placed on business recovery and stabilisation and included the following key work streams:

- Health and Safety Review of Current Position - Full H&S audits were undertaken at both Chase and Selby Leisure Centre in June 2021 with all other sites undertaking desktop audits.
  - Procedure Review - A review of the current Inspiring Healthy Lifestyle procedures was undertaken in July to include Gap analysis and alignment to the new Trust business model and retained personnel
  - STITCH Health and Safety Platform - Provision of 8 annual licences, to include the accident reporting and risk assessment modules and training on the platform for the IHL team
  - The Engine (StaffMIS) Operations Platform - Providing a central platform for all IHL personnel. Development of a project plan with the team to implement the platform.
  - Support Days - To support the ongoing operational recovery and development of the business.
  - On Demand Online Training - Provide access to online training courses at a discounted rate
  - Updates to key corporate procedures - including revised Serious Incident Management Plans
- *To move to pre booked on-line bookings for activities to effectively control the number of customers attending our facilities*

A new booking system was deployed to support customers in booking in advance for their activities. Leisure Hub, an XN product, has transformed the way in which we sell our activities online and customers can book both for members and non-members.

- *To create a contactless and cashless environment*

Self Service / Access Control - Investment in customer journey technology improved the ease of access to our facilities and reduced the need for customers to visit reception to check in for their pre booked activity.

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

- *To protect Trust and Council owned assets during the lockdown*

Throughout the closure periods, resource was prioritised to effectively maintain the safety and security of the buildings managed on behalf of our Council clients. Regular inspections took place alongside the continuation of statutory servicing to ensure that the buildings/systems remained safe and operational.

New Fire Risk Assessments were undertaken by external specialist at all sites in - resulting in action plans in place to ensure compliance. Key statutory inspections undertaken and records kept and managed locally. With the introduction of the 'Engine' these are now uploaded into the system to ensure they are monitored and completed within timescales moving forwards.

- *To retain as many members as possible*

Provision of one to one consultation to members ensuring programmes are tailored to suit their needs. Mywellness promoted across all member communication platforms as a unique digital solution that can support in achieving and monitoring their health and fitness goals. Target established to encourage over 90% of gym membership to download and utilise the app.

- *To effectively train our returning teams on the COVID-19 response both from a technical and cultural context*

All staff fully supported with training cover the following areas:

- Customer journey planning and routes to and within the building
- Leisure hub booking system, Self-service kiosk and access control
- Employee risk assessment and mitigation measures
- Customer journey and activity risk assessment and mitigation measures
- First Aid risk assessment
- Emergency operating procedures including adjustment to suit Covid secure guidelines
- Expectations and standards of customer care
- Heightened importance of Mywellness as a service delivery tool within the gym and group exercise setting
- Pool lifeguarding competency training
- Increased evacuation training and review of emergency procedures.

## **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 have increased due in part to actuarial pension gains (see note 23) and amount to a surplus of £4,542,735 as at 31 March 2022 (2021: deficit £1,698,572) representing unrestricted funds surplus of £1,928,127 (2021: deficit £4,449,230), which includes designated fund surplus of £928,540 (2021: £600,000), pension surplus of £345,000 (2021: deficit £5,562,000) and general unrestricted funds surplus of £654,587 (2021: surplus £512,770). Restricted (including endowment) funds surplus totalled £2,614,608 (2021: surplus £2,750,658).

The statement of financial activities shows that there were net incoming resources before movements in the valuation of investments and actuarial gains for the charitable company for the financial year amounting to £3,701,307 (2021: net outgoing £1,332,769). This includes exceptional pension adjustments relating to the effect of settlements within the GMPF of £5,486,000 (exceptional income) and restriction of the NYPF asset by £1,698,000 (exceptional expenditure).

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.

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**STRATEGIC REPORT**

**Financial review**

**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 2021/22.

**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.

**Going concern**

Following on from a significant unprecedented period of business operational uncertainty resulting from the COVID-19 pandemic, the 2021/2022 financial year has proven to be a slow but more stable operating environment for the Charity to continue its business recovery.

Restrictions continued to impact on the opening and operation of facilities for the first quarter of the financial year, with full restrictions only being lifted by Central Government in June 2021.

The Charity continued to take advantage of all national and local government financial support schemes available to the sector, such as the Coronavirus Job Retention Scheme which ceased in September 2021 and Business Rate Grants.

A further successful bid of £175k was made by the Charity to the Governments Cultural Recovery Fund via the Arts Council, in order to fund and continue to deliver these services from April 2021.

The National Leisure Recovery Fund secured in 2020/2021 for the Cannock and Selby contracts continues to support the Charity in its recovery during 2021/22 and 2022/23.

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

Built around a common set of principles both Councils have agreed to support the Charity during an extended period of recovery from the pandemic. Whilst renewable on an annual basis these contractual arrangements will enable recovery to be achieved alongside growth and diversification.

Negotiations outside of the 'Deeds of Variation' arrangements also enabled the Cannock contract to be extended through to the 31st of March 2027.

Whilst the Selby arrangements will reach their contractual end on the 31st of August 2024, the Charity continues to seek growth and is currently in dialogue in respect of new opportunities within the Sector.

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 the going concern assumption is both appropriate and continues to be adopted in the financial statements. This is reiterated in the accounting policies on page 23



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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**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 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 Wigan Leisure and Culture Trust's share of each scheme's assets and liabilities on 31 March 2022, as advised by the appointed actuaries. Refer to note 23 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 2022. All three schemes recorded a positive movement as a result of the valuation. The Greater Manchester Scheme recorded a significant reduction in liability due to the TUPE transfer of staff following the cessation of the Wigan contract. The Staffordshire scheme moved into surplus following a significant increase to the fair value of the pension assets. After the year end (but before the signing of these accounts) the remaining staff in the Greater Manchester Scheme with continuing employment by Inspiring Healthy Lifestyles were granted addition to the Admissions Agreement for the Staffordshire Local Government Pension scheme, and transferred from the Greater Manchester Pension Fund. This was backdated to the 6<sup>th</sup> August 2021 this was not however included in either the Greater Manchester valuation or the Staffordshire valuations and therefore the trustees have taken the view that the recognition of both schemes valuation as prepared gives the best indication of the valuation at the 31 March 2022.

The North Yorkshire scheme remained in surplus, however at the date of signing these accounts the decision had been made by Selby Council not to renew the contract for services when renewal becomes due August 2024, as a result the directors have not recognised the surplus in the pension scheme and have recognised the valuation as £Nil.

The total position across the three schemes is detailed in note 23.

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

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 IHL 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 are Admitted Body Agreements in place alongside cash pension bonds.

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**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 significantly impacted by the continuing effects of the Covid-19 pandemic.

Our risk management process enables the early identification of 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 continued into the start of this financial year.

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

<b>Risk</b>	<b>How we managed the risk</b>
Safe return and recovery of activities and services following pandemic.	Reviewed model of service delivery and actively pursuing additional funding sources and business growth opportunities.
Effective implementation and operation of BWP ICT Partnership contract, during the reprocurement period, following the Board decision to exit the partnership at the end of the extension period.	Development of a new ICT delivery model and ICT Strategy.  Procurement / market assessment to understand best value for contract award
Board restructuring, succession planning, recruitment, and code of good governance.	New Trustees successfully recruited to the Board.  New Board meeting structure implemented.  Ongoing review of Code of Good Governance.
Termination of Selby Summit Contract	An NHS Covid-19 licence implemented to allow access following IHL surrender of lease.  Agreement of Settlement / Termination Agreement.
Coronavirus (COVID-19) impact on the Sector, Charity/Business due to lockdowns and road map to recovery. Significantly impact on customer based income, memberships and business interruption insurance.	Recovery Plan Implemented including restructuring of operational teams. Maximisation of all Government/Sector financial assistance alongside DoV with key clients.

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.

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**STRATEGIC REPORT**

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 access to all leisure facilities at tariffs lower than commercial market tariffs including significant reductions through the implementation of various concessionary schemes
- Providing free access to the Museum of Cannock Chase
- 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

The impact of the Covid pandemic continued to affect the way in which services were delivered particularly in the early part of the year.

The Home Health Hub, our digital fitness and wellbeing offer, developed and launched to support gym members and participants to remain active and engaged throughout lockdown measures, continued to be developed and supported. This included online fitness classes, virtual cycling programmes, children's and family activities and nutritional advice and healthy eating guidance.

A phased approach to the relaxation of the covid safety measures in place was adopted, in line with the government's roadmap, both to ensure continued confidence from customers and, as a priority, ensure the health and safety of those engaged with our services.

The leisure facilities across the two contract areas adopted best practice to maximise the recovery of activity levels - we have seen a steady increase in footfall, attracting over 630,000 visits over the course of the year.

A proactive approach to re-engage communities in physical activity was undertaken. This included a 9-week trial of free gym sessions in a community setting. This enabled local people from various backgrounds and groups to exercise in a friendly environment with the objective of promoting activity, better health, social and mental health improvements. The 'Community Gym' offer has now been sustained with further roll out planned.

Rugeley Leisure Centre was the focus of a £1.25m investment programme, with the site fully reopening in March.

Continuing the digital approach utilised throughout the Pandemic, the "Cannock Chase Can" app launched. The app enables all residents to sign up and create personal goals and individual wellness journeys. It also provides information about healthy eating, physical activity and advice on how to make healthier lifestyle choices. It hosts a variety of wellness challenges that have been developed by both local communities and businesses. The app provides local communities with the tools to improve their own health and wellbeing by making it fun, focussed and easily accessible.

We have worked in partnership with the NHS to provide the 'Staying Well Service'. Held at Chase Leisure Centre, these now monthly sessions enable health care practitioners, GP's, nurses, social prescribers, falls prevention and other health care staff to invite local GP surgery patients into the leisure centre to speak to the appropriate practitioner - leading to better outcomes for the patient. Following on from this consultation the health practitioners also directly refer the patient to the Health & Wellbeing Activity referral program if it is appropriate for that individual.

In Selby, The Move It Lose It Adult Weight Management programme returned strongly following post covid re-launch. At the end of the year 80% of clients starting the programme achieved the targeted weight loss of 5% at week 12 and 100% of those reaching week 24 maintained this weight loss.

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**STRATEGIC REPORT**

**Future plans**

Throughout the year the Trustees worked with the Leadership Team to establish a new three-year Business Strategy. In August 2022 the new Strategy was formally adopted by the charity.

The Mission statement for the Business Strategy is:

- To inspire health and happiness through participation in activities that encourage people to be active, creative and healthy.

Our Vision is :

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

The adoption of the Business Strategy also saw the adoption of a new overall brand for the organisation: "Inspiring Healthy Lifestyles - the charity at the heart of the community".

The vision is underpinned by three core values:

- Achieve - Provide products and services in line with our charitable intent that enable our customers to achieve their health and wellbeing goals.
- Community - Embed IHL within the community by improving the quality of lives for our customers, employees and all their families.
- Togetherness - Working and moving together to bring enjoyment to people's lives, supporting meaningful connections, better life choices and lifelong friendships.

This Vision is delivered through three Focus Areas each underpinned by strategic objectives.

**Focus Area 1: A Great Place to Work**

We are committed to our charitable objective, investing in our people and creating a working environment that listens, leads and inspires.

**Strategic Objectives**

- Create career pathways that retain and develop talent and our people of the future
- A skilled and knowledgeable workforce
- Be recognised as a good employer that people want to work for
- A workforce that lives our values and are advocates for our services to provide an inspiring customer experience

**Focus Area 2: Systems and Processes**

Ensuring our systems and processes are fit for purpose and enable us to deliver our charity effectively.

**Strategic Objectives**

- Develop a cloud first approach to ICT systems
- Provide the latest systems that enable our employees to work efficiently with the latest tools and technologies
- Ensure our system and processes encourage interaction with customers and remove barriers to access
- Products and services that are inclusive and reflect the needs and priorities of our communities and partners

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**STRATEGIC REPORT**

Focus Area 3: Grow the Impact and Reach of the Charity

More people of all ages and abilities accessing activities, more equally, more widely and more often.

Strategic Objectives

- Increase awareness of the Inspiring Healthy Lifestyles brand, which develops a reputation for service relevance, reliability and responsiveness
- Identify opportunities to maximise our impact and deliver our vision
- Seek opportunities to grow the charity through new partnerships
- Identify opportunities to diversify our model to provide new income streams which support financial sustainability

**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 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Trustees**

The following people served as Trustees during the year:

D A Bartle - stood down 30 September 2021  
R A Boocock – appointed 15 October 2021  
P J Burt – appointed 15 October 2021  
G W Cross - stood down 30 June 2021  
P G Farrington  
S J Gambles  
J E Green – appointed 15 October 2021  
D W Lythgoe - stood down on 15 October 2021  
J B Meadows - stood down on 15 October 2021  
P T Moss - stood down 30 June 2021  
D A Newman - stood down 15 October 2021  
L Peace – appointed 15 October 2021  
S J Price - stood down 31 December 2021  
E L Wetherby  
C J Wilks  
D J Wood

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

**Trustee training and development**

A revised Trustee Handbook forms the basis of Trustee induction, supplemented by familiarization 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.

Training was provided to Trustees on their legal responsibilities as a Trustee.

**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.

The Board appointed five new Trustees in October 2021 following a comprehensive recruitment process.

The Board has two established sub committees - Audit Committee; and the Nominations Committee and their members during 2021/22 are listed below:

**Audit Committee:**

R Boocock; P Burt; P Farrington (Chair from April 2022); S Gambles; D Newman (Chair - resigned October 2021); L Peace; S Price; E Wetherby; D Wood

The Committee met four times during 2021/22

**Nominations Committee:**

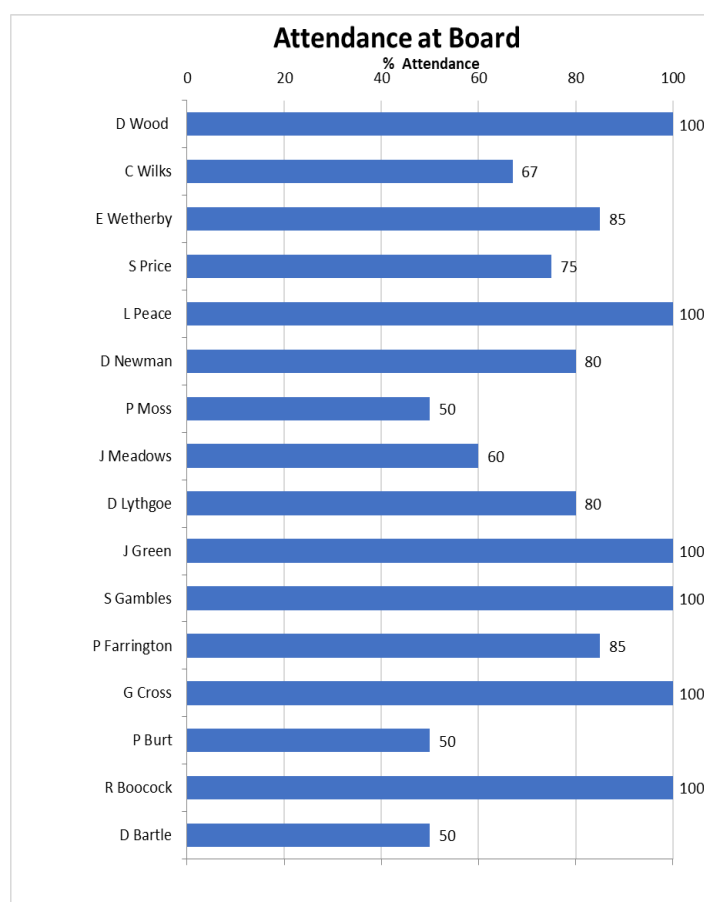
Chair of Trustees: Chair of Audit Committee and the Managing Director.

The Committee met twice during 2021/22.

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

**REPORT OF THE TRUSTEES  
for the Year Ended 31 March 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**



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

**Decision making**

Strategic decisions are made by the Board of Trustees, but operational decisions are the province of the 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 Leadership Team.

**Leadership Team**

During 2021/22 members of the Leadership Team were:

P Burt, Managing Director (Retired: June 2021)  
 Chris Derbyshire, Managing Director (from July 2021, previously Deputy Managing Director)  
 D Heaton, Finance Director and Company Secretary  
 Greg Barker, Head of ICT (from April 2021)  
 Nicola Bingham, Head of Finance (from April 2021)  
 Stephen Riley, Head of Organisational Development (from April 2021)  
 David Johns, Commercial Director (from April 2021 / resigned October 2021)  
 Lynn Illidge, Head of Operations Cannock Chase (Temp - from November 2021)  
 Ben Walker, Head of Operations Selby (Temp - from November 2021)

**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.





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

### **Opinion**

We have audited the financial statements of Inspiring Healthy Lifestyles (the 'charitable company') for the year ended 31 March 2022 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 2022 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.

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

### **Our responsibilities for the audit of the financial statements**

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

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

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

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

**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.



Louise Webster BSc BFP ACA (Senior Statutory Auditor)  
for and on behalf of Fairhurst  
Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB

Date: 15 December 2022 | 09:00 GMT  
Date: .....

## INSPIRING HEALTHY LIFESTYLES

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the Year Ended 31 March 2022**

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	3	2	-	-	2	-
<b>Charitable activities</b>	<b>5</b>					
Management fee from Wigan Council		-	-	-	-	1,988,583
Wellbeing		354,324	228,620	-	582,944	3,195,046
Sport and Leisure		7,119,693	180,605	-	7,300,298	11,067,187
Investment income	4	29,930	25,879	-	55,809	59,544
Other income	6	<u>5,502,502</u>	<u>-</u>	<u>-</u>	<u>5,502,502</u>	<u>371,262</u>
<b>Total</b>		<u>13,006,451</u>	<u>435,104</u>	<u>-</u>	<u>13,441,555</u>	<u>16,681,622</u>
<b>EXPENDITURE ON</b>						
Raising funds	7	26,554	-	25,509	52,063	46,657
<b>Charitable activities</b>	<b>8</b>					
Wellbeing		386,253	488,210	-	874,463	3,179,934
Sport and Leisure		7,074,247	85,479	-	7,159,726	15,308,231
Other		<u>1,698,000</u>	<u>-</u>	<u>-</u>	<u>1,698,000</u>	<u>-</u>
<b>Total</b>		<u>9,185,054</u>	<u>573,689</u>	<u>25,509</u>	<u>9,784,252</u>	<u>18,534,822</u>
Net gains on investments		<u>16,546</u>	<u>-</u>	<u>27,458</u>	<u>44,004</u>	<u>520,434</u>
<b>NET INCOME/(EXPENDITURE)</b>		3,837,943	(138,585)	1,949	3,701,307	(1,332,766)
<b>Transfers between funds</b>	22	<u>(586)</u>	<u>586</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		<u>2,540,000</u>	<u>-</u>	<u>-</u>	<u>2,540,000</u>	<u>(7,661,000)</u>
<b>Net movement in funds</b>		6,377,357	(137,999)	1,949	6,241,307	(8,993,766)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>(4,449,230)</u>	<u>681,753</u>	<u>2,068,905</u>	<u>(1,698,572)</u>	<u>7,295,194</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,928,127</u></u>	<u><u>543,754</u></u>	<u><u>2,070,854</u></u>	<u><u>4,542,735</u></u>	<u><u>(1,698,572)</u></u>

The notes form part of these financial statements

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

**BALANCE SHEET  
31 March 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	14	387,855	1,729,421
Investments	15	<u>4,283,678</u>	<u>4,235,082</u>
		4,671,533	5,964,503
<b>CURRENT ASSETS</b>			
Stocks	16	42,376	96,314
Debtors	17	741,158	1,976,791
Cash at bank and in hand		<u>966,595</u>	<u>249,114</u>
		1,750,129	2,322,219
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(2,034,222)</u>	<u>(3,537,797)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(284,093)</u>	<u>(1,215,578)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,387,440	4,748,925
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(189,705)	(885,497)
<b>PENSION ASSET/(LIABILITY)</b>	23	345,000	(5,562,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>4,542,735</u></u>	<u><u>(1,698,572)</u></u>
<b>FUNDS</b>	22		
Unrestricted funds		1,928,127	(4,449,230)
Restricted funds		543,754	681,753
Endowment funds		<u>2,070,854</u>	<u>2,068,905</u>
<b>TOTAL FUNDS</b>		<u><u>4,542,735</u></u>	<u><u>(1,698,572)</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on  
 .....14 December 2022. 2143 ONT  
 ..... Signed on its behalf by:



.....  
 D Wood - Trustee

The notes form part of these financial statements

## INSPIRING HEALTHY LIFESTYLES

CASH FLOW STATEMENT  
for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>883,096</u>	<u>(764,173)</u>
Net cash provided by/(used in) operating activities		<u>883,096</u>	<u>(764,173)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(49,728)	(4,720)
Purchase of fixed asset investments		(48,596)	(532,242)
Revaluations of investments		44,004	520,434
Interest received		<u>55,809</u>	<u>59,544</u>
Net cash provided by investing activities		<u>1,489</u>	<u>43,016</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(141,595)	(42,647)
Expenditure attributable to endowment		<u>(25,509)</u>	<u>(22,257)</u>
Net cash used in financing activities		<u>(167,104)</u>	<u>(64,904)</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		717,481	(786,061)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>249,114</u>	<u>1,035,175</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>966,595</u></u>	<u><u>249,114</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 20221. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM  
OPERATING ACTIVITIES

	2022 £	2021 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	3,701,307	(1,332,766)
<b>Adjustments for:</b>		
Depreciation charges	166,454	878,339
Gain on investments	(44,004)	(520,434)
Loss on disposal of fixed assets	39,486	-
Interest received	(55,809)	(59,544)
Expenditure attributable to endowment	25,509	22,257
Decrease in stocks	53,938	17,040
Decrease in debtors	1,370,129	337,518
Decrease in creditors	(1,006,914)	(620,583)
Difference between pension charge and cash contributions	<u>(3,367,000)</u>	<u>514,000</u>
<b>Net cash provided by/(used in) operations</b>	<u>883,096</u>	<u>(764,173)</u>

## 2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
<b>Net cash</b>			
Cash at bank and in hand	<u>249,114</u>	<u>717,481</u>	<u>966,595</u>
	<u>249,114</u>	<u>717,481</u>	<u>966,595</u>
<b>Debt</b>			
Finance leases	<u>(1,477,452)</u>	<u>1,192,452</u>	<u>(285,000)</u>
	<u>(1,477,452)</u>	<u>1,192,452</u>	<u>(285,000)</u>
<b>Total</b>	<u>(1,228,338)</u>	<u>1,909,933</u>	<u>681,595</u>

The notes form part of these financial statements



## INSPIRING HEALTHY LIFESTYLES

### NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2022

#### 1. COMPANY INFORMATION

Wigan Leisure and Culture Trust is a charity (No: 1105278) and a registered company limited by guarantee (No: 04624607) whose registered office is Robin Park Indoor Sports Centre, Loire Drive, Robin Park, Wigan, WN5 0UL.

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**

The charitable company has net current liabilities of £284,093 (2021 £1,215,578), the trustees do not consider this an indication of going concern issues as the charitable company holds general fixed asset investments of £2,166,717 (2021 £2,145,949) which can be readily accessed.

Following on from a significant unprecedented period of business operational uncertainty resulting from the COVID-19 pandemic, the 2021/2022 financial year has proven to be a slow but more stable operating environment for the Charity to continue its business recovery.

Restrictions continued to impact on the opening and operation of facilities for the first quarter of the financial year, with full restrictions only being lifted by Central Government in June 2021. The Charity continued to take advantage of all national and local government financial support schemes available to the sector, such as the Coronavirus Job Retention Scheme which ceased in September 2021 and Business Rate Grants. A further successful bid of £175k was made by the Charity to the Governments Cultural Recovery Fund via the Arts Council, in order to fund and continue to deliver these services from April 2021. The National Leisure Recovery Fund secured in 2020/2021 for the Cannock and Selby contracts continues to support the Charity in its recovery during 2021/22 and 2022/23.

Crucial to the ongoing success of the Charity has been the continued contractual and financial support through the 'Deeds of Variation' to the two contracts held with Cannock and Selby District Councils. Built around a common set of principles both Councils have agreed to support the Charity during an extended period of recovery from the pandemic. Whilst renewable on an annual basis these contractual arrangements will enable recovery to be achieved alongside growth and diversification.

Negotiations outside of the 'Deeds of Variation' arrangements also enabled the Cannock contract to be extended through to the 31st of March 2027. Whilst the Selby arrangements will reach their contractual end on the 31st of August 2024, the Charity continues to seek growth and is currently in dialogue in respect of new opportunities within the Sector.

## INSPIRING HEALTHY LIFESTYLES

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2022

#### 2. ACCOUNTING POLICIES - continued

##### **Basis of preparing the financial statements**

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 the 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:

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 2022. 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.

## INSPIRING HEALTHY LIFESTYLES

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2022

#### 2. ACCOUNTING POLICIES - continued

##### **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.

##### **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 – up to 2021 this mainly represented public health contracts with Wigan Council. In the year to 31 March 2022 this represents the public health contract with North Yorkshire County Council and Health Projects undertaken on behalf of Staffordshire County Council

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 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.

## INSPIRING HEALTHY LIFESTYLES

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2022

#### 2. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

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.

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 2022

#### 2. ACCOUNTING POLICIES - continued

##### **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 2022

## 3. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Gifts	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>

## 4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Bank Deposits	-	-	-	-	1,079
Investment portfolio income	<u>29,930</u>	<u>25,879</u>	<u>-</u>	<u>55,809</u>	<u>58,465</u>
	<u>29,930</u>	<u>25,879</u>	<u>-</u>	<u>55,809</u>	<u>59,544</u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 5. INCOME FROM CHARITABLE ACTIVITIES

			2022	2021
	Wellbeing £	Sport and Leisure £	Total £	Total £
Management	294,412	2,930,321	3,224,733	1,988,583
Membership income	-	3,214,373	3,214,373	2,847,112
Outdoor activities	-	2,959	2,959	122,874
Public health	-	-	-	1,751,102
Sports hires	4,900	234,298	239,198	269,322
Cultural	-	318,234	318,234	22,165
Other	41,451	228,753	270,203	2,676,412
Covid related grants (see below)	<u>13,561</u>	<u>190,755</u>	<u>204,316</u>	<u>5,936,298</u>
Unrestricted income	354,324	7,119,693	7,474,017	15,613,868
Restricted income (note 21)	<u>228,620</u>	<u>180,605</u>	<u>409,225</u>	<u>636,948</u>
Total activities	<u>582,944</u>	<u>7,300,298</u>	<u>7,883,242</u>	<u>16,250,816</u>

## Covid Related Grants (not recognised in restricted income)

			2022	2021
	Wellbeing £	Sport and Leisure £	Total £	Total £
Coronavirus Job Retention Scheme Grant	13,561	98,755	112,316	4,351,949
Local Government Restart Grant	-	92,000	92,000	-
Leisure and Retail Grant	-	-	-	185,000
Local Restrictions Support Grant	-	-	-	197,458
National Leisure Recovery Fund (NLRF)	-	-	-	465,440
Local Government Closed Premises Grant	-	-	-	145,000
Wigan Council Furlough Top Up	-	-	-	260,086
Cannock Council Furlough Top Up	-	-	-	116,365
Selby Council Covid Uplift	-	-	-	215,000
Total Covid Related Grants	<u>13,561</u>	<u>190,755</u>	<u>204,316</u>	<u>5,936,298</u>

During 2022 the following covid grants were recognised in restricted income; NLRF grants of £112,404 and Culture Recovery funds of £196,936(see note 22)

## 6. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Miscellaneous credits	16,502	-	-	16,502	371,262
Exceptional items	<u>5,486,000</u>	<u>-</u>	<u>-</u>	<u>5,486,000</u>	<u>-</u>
	<u>5,502,502</u>	<u>-</u>	<u>-</u>	<u>5,502,502</u>	<u>371,262</u>

Exceptional income represents the effects of settlement of the GMPF pension scheme on bulk transfer of those staff who were TUPE to Wigan Council following the cessation of the Wigan contract.

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 7. RAISING FUNDS

## Investment management costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Portfolio management	<u>26,554</u>	<u>-</u>	<u>25,509</u>	<u>52,063</u>	<u>46,657</u>

## 8. CHARITABLE ACTIVITIES COSTS

		Direct Costs £	Support costs (see note 9) £	Totals £
Wellbeing		701,462	173,001	874,463
Sport and Leisure		<u>5,759,147</u>	<u>1,400,579</u>	<u>7,159,726</u>
		<u>6,460,609</u>	<u>1,573,580</u>	<u>8,034,189</u>

	Unrestricted Funds	Restricted Funds	Endowment Funds	2022TotalFun ds	2021TotalFun ds
<b>Direct costs</b>					
Staff costs	2,777,467	218,784	-	2,996,251	9,984,528
Establishment	1,519,928	47,348	-	1,567,276	1,871,707
Transport	3,308	-	-	3,308	30,188
Supplier services	1,015,545	149,002	-	1,164,547	1,418,419
Agency costs	93,702	-	-	93,702	129,610
General support	271,030	19,951	-	290,981	602,892
Depreciation	166,454	-	-	166,454	854,868
Loss on disposal of assets	39,486	-	-	39,486	-
Transfer of restricted funds to third party	-	138,604	-	138,604	-
Contract termination fee	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,423</u>
	<u>5,886,920</u>	<u>573,689</u>	<u>-</u>	<u>6,460,609</u>	<u>15,479,635</u>
Wellbeing	213,253	488,210	-	701,463	2,554,899
Sport and Leisure	<u>5,673,667</u>	<u>85,479</u>	<u>-</u>	<u>5,759,146</u>	<u>12,924,736</u>
.	<u>5,886,920</u>	<u>573,689</u>	<u>-</u>	<u>6,460,609</u>	<u>15,479,635</u>

Other charitable expenditure of £1,698,000 represents the writing down of the North Yorkshire Pension surplus to £Nil. As the Selby contract ends in 2024 the Trustees have assessed that there is no opportunity to realise the FRS102 disclosure asset as calculated at 31 March 2022 and have taken the decision to restrict the value of the pension scheme assets to that of the pension scheme liabilities.



## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 9. SUPPORT COSTS

	Management £	Finance £	Information technology £	Human resources £
Wellbeing	15,607	17,671	42,621	2,438
Sport and Leisure	<u>131,665</u>	<u>155,140</u>	<u>295,957</u>	<u>14,095</u>
	<u>147,272</u>	<u>172,811</u>	<u>338,578</u>	<u>16,533</u>
			Governance costs £	Totals £
Wellbeing	62,331	1,400	23,756	173,001
Sport and Leisure	<u>530,236</u>	<u>11,816</u>	<u>201,092</u>	<u>1,400,579</u>
	592,567	13,216	224,848	1,573,580

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 £	2022 Total activities £	2021 Total activities £
Trustees' expenses	-	-	-	1,152
Wages	14,813	125,068	139,881	178,502
Social security	1,882	15,887	17,769	21,488
Pensions	2,753	23,244	25,997	31,635
Auditors' remuneration	3,782	31,933	35,715	36,590
Sundries	23	197	220	1,735
Accountancy and legal fees	<u>503</u>	<u>4,763</u>	<u>5,266</u>	<u>1,993</u>
	<u>23,756</u>	<u>201,092</u>	<u>224,848</u>	<u>273,095</u>

## 10. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Auditors remuneration	35,715	36,590
Depreciation - owned assets	73,258	144,510
Depreciation - assets on hire purchase contracts and finance leases	93,197	733,830
Deficit on disposal of fixed assets	<u>39,486</u>	<u>-</u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

**Trustees' expenses**

	2022	2021
	£	£
Trustees' expenses	-	1,152

**12. STAFF COSTS**

	2022	2021
	£	£
Wages and salaries	2,891,461	9,564,104
Social security costs	272,233	632,836
Other pension costs	489,160	1,191,155
	<u>3,652,854</u>	<u>11,388,095</u>

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

	2022	2021
Business development and financial services	12	37
Sport and leisure	87	274
Wellbeing	10	70
Senior management team	<u>2</u>	<u>5</u>
	<u>111</u>	<u>386</u>

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

	2022	2021
Business development and financial services	-	38
Sport and leisure	13	-
Wellbeing	191	403
Senior management team	12	92
	<u>2</u>	<u>5</u>
	<u>218</u>	<u>538</u>

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

	2022	2021
£60,001 - £70,000	-	4
£80,001 - £90,000	1	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>5</u>

Key management personnel remunerations including contributions to pension schemes totalled £180,758 (2021: £425,434).

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
<b>Charitable activities</b>				
Management fee from Wigan Council	1,988,583	-	-	1,988,583
Wellbeing	2,685,414	509,632	-	3,195,046
Sport and Leisure	10,939,871	127,316	-	11,067,187
Investment income	31,215	28,329	-	59,544
Other income	<u>371,262</u>	<u>-</u>	<u>-</u>	<u>371,262</u>
<b>Total</b>	<u>16,016,345</u>	<u>665,277</u>	<u>-</u>	<u>16,681,622</u>
<b>EXPENDITURE ON</b>				
Raising funds	24,400	-	22,257	46,657
<b>Charitable activities</b>				
Wellbeing	2,959,247	220,687	-	3,179,934
Sport and Leisure	<u>15,017,267</u>	<u>290,964</u>	<u>-</u>	<u>15,308,231</u>
<b>Total</b>	<u>18,000,914</u>	<u>511,651</u>	<u>22,257</u>	<u>18,534,822</u>
Net gains on investments	<u>268,717</u>	<u>-</u>	<u>251,717</u>	<u>520,434</u>
<b>NET INCOME/(EXPENDITURE)</b>	(1,715,852)	153,626	229,460	(1,332,766)
<b>Transfers between funds</b>	<u>(71,682)</u>	<u>71,682</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	<u>(7,661,000)</u>	<u>-</u>	<u>-</u>	<u>(7,661,000)</u>
<b>Net movement in funds</b>	(9,448,534)	225,308	229,460	(8,993,766)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u>4,999,304</u>	<u>456,445</u>	<u>1,839,445</u>	<u>7,295,194</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 14. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and equipment £	Computer equipment & software £	Totals £
<b>COST</b>				
At 1 April 2021	928,644	6,556,642	463,113	7,948,399
Additions	49,729	(1)	-	49,728
Disposals	<u>(357,943)</u>	<u>(5,715,840)</u>	<u>(463,113)</u>	<u>(6,536,896)</u>
At 31 March 2022	<u>620,430</u>	<u>840,801</u>	<u>-</u>	<u>1,461,231</u>
<b>DEPRECIATION</b>				
At 1 April 2021	843,641	4,912,224	463,113	6,218,978
Charge for year	68,580	97,875	-	166,455
Eliminated on disposal	<u>(338,204)</u>	<u>(4,510,740)</u>	<u>(463,113)</u>	<u>(5,312,057)</u>
At 31 March 2022	<u>574,017</u>	<u>499,359</u>	<u>-</u>	<u>1,073,376</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>46,413</u>	<u>341,442</u>	<u>-</u>	<u>387,855</u>
At 31 March 2021	<u>85,003</u>	<u>1,644,418</u>	<u>-</u>	<u>1,729,421</u>

The net book value of tangible fixed assets includes £ 341,442 (2021 - £ 1,596,628 ) in respect of assets held under hire purchase contracts.

On 1<sup>st</sup> 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.

## 15. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2022 £	2021 £
Listed investments (a)	2,166,717	2,145,949
Listed investments (restricted) (b)	2,116,961	2,089,132
Investment in subsidiary (c)	<u>-</u>	<u>1</u>
	<u>4,283,678</u>	<u>4,235,082</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 2022

## 15. 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

	2022 £	2021 £
Market value at 1 April	2,145,949	1,871,496
Investment income	29,930	30,136
Management fees	(26,554)	(24,400)
Realised/unrealised profits on revaluation	17,392	268,717
Market value at 31 March	<u>2,166,717</u>	<u>2,145,949</u>

The investments held within the portfolio are as follows:

	2022 £	2021 £
Investments listed on a recognised stock exchange	1,951,905	1,902,356
Cash balances	<u>214,812</u>	<u>243,593</u>
	<u>2,166,717</u>	<u>2,145,949</u>

The historic cost of individual investments (including cash balances) is £1,912,741 (2021 £1,956,079)

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

	2022 £
Cash balances	214,812
Ishares £ index-linked gilts UCITS ETF	134,890

## (b) Listed investments (restricted)

	2022 £	2021 £
Market value at 1 April	2,089,133	1,831,343
Investment income	25,879	28,329
Cash withdrawn	-	-
Management fees	(25,509)	(22,257)
Realised/unrealised profits (loss)	<u>27,458</u>	<u>251,717</u>
Market value at 31 March	<u>2,116,961</u>	<u>2,089,132</u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022**15. FIXED ASSET INVESTMENTS - continued**

The investments held within the portfolio are as follows::

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments listed on a recognised stock exchange	1,902,180	1,849,467
Cash balances	<u>214,781</u>	<u>239,665</u>
	<u><u>2,116,961</u></u>	<u><u>2,089,132</u></u>

The historic cost of individual investments (including cash balances) is £1960,556 (2021:£1,923,751).

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

	<b>2022</b>
	<b>£</b>
Index linked gilts	117,941
Cash balances	214,781

**c) Investment in subsidiary undertaking**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investment in subsidiary	-	1

During the year the subsidiary was struck off the register via a voluntary striking off.

**16. STOCKS**

	2022	2021
	£	£
Raw materials and consumables	4,873	17,633
Finished goods & goods for res ale	<u>37,503</u>	<u>78,681</u>
	<u><u>42,376</u></u>	<u><u>96,314</u></u>

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

	2022	2021
	£	£
Trade debtors	113,826	700,130
Other debtors	588,014	1,206,809
Prepayments and accrued income	<u>39,318</u>	<u>69,852</u>
	<u><u>741,158</u></u>	<u><u>1,976,791</u></u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Finance leases (see note 20)	95,295	591,955
Trade creditors	115,794	1,034,824
Other taxation and social security	173,302	641,854
Other creditors	202,020	593,209
Accruals and deferred income	1,447,811	672,486
Accrued expenses	-	3,469
	<u>2,034,222</u>	<u>3,537,797</u>

## 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Finance leases (see note 20)	<u>189,705</u>	<u>885,497</u>

## 20. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	95,295	591,955
Between one and five years	<u>189,705</u>	<u>885,497</u>
	<u>285,000</u>	<u>1,477,452</u>

On 1<sup>st</sup> 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.

## 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Endowment fund	2022 Total funds	2021 Total funds
	£	£	£	£	£
Fixed assets	387,855	-	-	387,855	1,729,421
Investments	2,166,717	-	2,116,961	4,283,678	4,235,082
Current assets	1,128,951	621,177	1	1,750,129	2,322,219
Current liabilities	(1,910,691)	(77,423)	(46,108)	(2,034,222)	(3,537,797)
Long term liabilities	(189,705)	-	-	(189,705)	(885,497)
Pension asset/(liability)	<u>345,000</u>	<u>-</u>	<u>-</u>	<u>345,000</u>	<u>(5,562,000)</u>
	<u>1,928,127</u>	<u>543,754</u>	<u>2,070,854</u>	<u>4,542,735</u>	<u>(1,698,572)</u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 22. MOVEMENT IN FUNDS

	At 1/4/21 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	At 31/03/22 £
<b>Restricted funds</b>						
Highams Bequest	99,510	25,879	(6,620)	-	-	118,769
Haigh Kitchen Courtyard Sinking Fund	90,000	-	(39,746)	-	(50,254)	-
Cannock Sinking Fund	50,000	-	-	-	50,000	100,000
<b>Wellbeing</b>						
Active Living	13,074	-	(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	38,531	31,684	(18,994)	-	(1)	51,219
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	32,382	-	(32,382)	-	-	-
GM Active – Sport England	36,125	-	(36,125)	-	-	-
Digital Cycling	15,964	-	(15,964)	-	-	-
Culture Recovery Fund	119,376	196,936	(317,155)	-	843	-
<b>Sport and Leisure</b>						
Haigh Golf Course	3,101	-	(3,101)	-	-	-
Nantional Leisure Recovery Fund	-	112,404	-	-	-	112,404
Arts - Wigan Link for Life	15,218	-	(15,218)	-	-	-
Arts - Cannock	9,087	14,966	-	-	-	24,053
Arts - Cannock Grow up Great	528	-	-	-	(1)	527
Chase IT External Funding	17,630	-	-	-	-	17,630
Chase UP External Funding	<u>87,376</u>	<u>53,235</u>	<u>(23,808)</u>	<u>-</u>	<u>(1)</u>	<u>116,802</u>
	<u>681,753</u>	<u>435,104</u>	<u>(573,689)</u>	<u>-</u>	<u>586</u>	<u>543,754</u>
<b>Endowment funds</b>						
Highams Endowment Fund	<u>2,068,905</u>	<u>-</u>	<u>(25,509)</u>	<u>27,458</u>	<u>-</u>	<u>2,070,854</u>
<b>Unrestricted funds</b>						
Transformation fund	600,000	-	-	-	328,540	928,540
Pension reserve fund	(5,562,000)	5,846,000	(2,479,000)	2,540,000	-	345,000
General fund	<u>512,770</u>	<u>7,160,451</u>	<u>(6,706,054)</u>	<u>16,546</u>	<u>(329,126)</u>	<u>654,587</u>
Total unrestricted funds	<u>(4,449,230)</u>	<u>13,006,451</u>	<u>(9,185,054)</u>	<u>2,556,546</u>	<u>(586)</u>	<u>1,928,127</u>
<b>TOTAL FUNDS</b>	<u>(1,698,572)</u>	<u>13,441,555</u>	<u>(9,784,252)</u>	<u>2,584,004</u>	<u>-</u>	<u>4,542,735</u>



## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 22. MOVEMENT IN FUNDS - continued

Comparatives	At 1/4/20 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	At 31/03/21 £
<b>Restricted funds</b>						
Highams Bequest		71,181	28,329	-	-	99,510
Summit Indoor Adventure Sinking Fund		61,403	-	(77,423)	-	-
Haigh Kitchen Courtyard Sinking Fund		70,000	-	-	-	90,000
Cannock Sinking Fund		-	-	-	-	50,000
<b>Wellbeing</b>						
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)	-	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
<b>Sport and Leisure</b>						
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
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>
<b>Endowment funds</b>						
Highams Endowment Fund		<u>1,839,445</u>	<u>-</u>	<u>(22,257)</u>	<u>251,717</u>	<u>-</u>
<b>Unrestricted funds</b>						
Transformation fund		-	-	-	-	600,000
Pension reserve fund		2,613,000	-	(514,000)	(7,661,000)	-
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>
<b>TOTAL FUNDS</b>		<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 2022

#### 22. MOVEMENT IN FUNDS - continued

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 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.

Following the cessation of the Wigan contract those restricted funds were transferred to the Wigan Settlement Balance and the services they were to facilitate were transferred to Wigan Council.

During the year the Haigh Kitchen Sinking fund was transferred to creditors or redistributed to tenants following the transfer of the Wigan contract and the cessation of the fund..

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.

#### Designated Funds

During the year the board has utilised £99,683 of the brought forward designated funds for part of the ongoing payroll project. The board have further increased the designated fund to £928,540 for the further transformation of the organisation including the implementation of a number of key projects inclusive of :- ( Re-procurement of the ICT contract and Asset Refresh, Re-procurement of the CRM System, Digitisation/Web Development, HR/Payroll and Service Improvements)

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 23. EMPLOYEE BENEFIT OBLIGATIONS

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

	<b>Total</b>	<b>Greater</b>	<b>North</b>	
	<b>£</b>	<b>Manchester</b>	<b>Yorkshire</b>	<b>Staffordshire</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Surplus at 1 April 2021	(5,562,000)	(6,771,000)	1,458,000	(249,000)
Pension scheme operating (charge)/income	3,373,000	5,334,000	(1,698,000)	(263,000)
Pension finance (costs)/credits	(6,000)	(28,000)	30,000	(8,000)
Actuarial gains/(losses)	<u>2,540,000</u>	<u>447,000</u>	<u>210,000</u>	<u>1,883,000</u>
<b>Surplus/(deficit) at 31 March 2022</b>	<u><u>345,000</u></u>	<u><u>(1,018,000)</u></u>	<u><u>0</u></u>	<u><u>1,363,000</u></u>

The amounts recognised in the balance sheet are as follows:

	<b>Total</b>	<b>Greater</b>	<b>North</b>	
	<b>£</b>	<b>Manchester</b>	<b>Yorkshire</b>	<b>Staffordshire</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Present value of funded obligations	(14,585,000)	(2,842,000)	(2,974,000)	(8,769,000)
Fair value of plan assets	<u>14,930,000</u>	<u>1,824,000</u>	<u>2,974,000</u>	<u>10,132,000</u>
<b>(Deficit)/ Surplus at 31 March 2022</b>	<u><u>345,000</u></u>	<u><u>(1,018,000)</u></u>	<u><u>0</u></u>	<u><u>1,363,000</u></u>

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

	Defined benefit pension plans	
	2022	2021
	£	£
Current service cost	474,000	1,084,000
Net interest from net defined benefit asset/liability	(6,000)	54,000
Past service cost	62,000	-
Restriction of recognition of pension asset	1,698,000	-
Effects of settlements (credit)	<u>(5,486,000)</u>	<u>-</u>
	<u><u>(3,258,000)</u></u>	<u><u>1,138,000</u></u>

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

	Defined benefit pension plans	
	2022	2021
	£	£
Opening defined benefit obligation	107,347,000	81,956,000
Current service cost	474,000	1,084,000
Past service cost	62,000	-
Contributions by scheme participants	64,000	210,000
Interest cost	323,000	1,875,000
Actuarial losses/(gains)	(1,416,000)	24,226,000
Benefits paid	(105,000)	(2,004,000)
Settlements	<u>(92,164,000)</u>	<u>-</u>
	<u><u>14,585,000</u></u>	<u><u>107,347,000</u></u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2022	2021
	£	£
Opening fair value of scheme assets	101,785,000	84,569,000
Interest income	317,000	1,929,000
Contributions by employer	121,000	516,000
Contributions by scheme participants	64,000	210,000
Actuarial gains/(losses)	1,124,000	16,565,000
Benefits paid	(105,000)	(2,004,000)
Settlements	<u>(88,376,000)</u>	<u>-</u>
	<u>14,930,000</u>	<u>101,785,000</u>

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

	2022	2021
	£	£
Changes in financial assumptions	1,330,000	(23,589,000)
Changes in demographic assumptions	60,000	(508,000)
Other experience	(21,000)	851,000
Return on assets excluding net interest	<u>1,171,000</u>	<u>15,585,000</u>
	<u>2,540,000</u>	<u>(7,661,000)</u>

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 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. On 1 April 2021 the majority of the employees transferred back to Wigan Council. After the balance sheet date the remaining employees in the LGPS transferred from GMPF to Staffordshire 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:

	<b>Defined benefit pension plans</b>	
	<b>2022</b>	<b>2021</b>
Equities	69%	72%
Bonds	13%	12%
Property	8%	7%
Cash	10%	9%
	<u>100%</u>	<u>100%</u>

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

	<b>2022</b>	<b>2021</b>
Discount rate	2.75%	2.05%
Future salary increases	3.90%	3.55%
Future pension increases	3.15%	2.80%

	<b>2022</b>		<b>2021</b>	
	Males	Females	Males	Females
	Years	Years	Years	Years
Current pensioners	20.3	23.2	20.5	23.3
Future pensioners	21.6	25.1	21.9	25.3

## INSPIRING HEALTHY LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

## 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 has taken place on 31 March 2022 but was not available at the time of preparing the FRS 102 valuation data.

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

	<b>Defined benefit pension plans</b>	
	<b>2022</b>	<b>2021</b>
Equities	55.7%	57.8%
Bonds - Government	16.8%	16.2%
Bonds - Corporate	7.7%	2.1
Property	7.4%	6.1%
Cash	1.1%	3.3%
Other	11.3%	14.5%
	<u>100%</u>	<u>100%</u>

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

	<b>2022</b>	<b>2021</b>
Discount rate	2.70%	2.10%
Future salary increases	4.15%	3.85%
Future pension increases	2.90%	2.60%

	<b>2022</b>		<b>2021</b>	
	Males Years	Females Years	Males Years	Females Years
Current pensioners	21.8	23.8	21.9	24.0
Future pensioners	23.5	25.7	23.6	25.8

# 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 has taken place on 31 March 2022 but was not available at the time of preparing the FRS 102 valuation data.

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

	<b>Defined benefit pension plans</b>	
	<b>2022</b>	<b>2021</b>
Equities	69%	71%
Bonds	17%	17%
Property	8%	8%
Cash	6%	4%
	<u>100%</u>	<u>100%</u>

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

	<b>2022</b>	<b>2021</b>
Discount rate	2.75%	2.05%
Future salary increases	3.55%	3.2%
Future pension increases	3.15%	2.8%

	<b>2021</b>		<b>2021</b>	
	Males	Females	Males	Females
	Years	Years	Years	Years
Current pensioners	21.2	23.8	21.4	24.0
Future pensioners	22.2	25.5	22.5	25.7

### 24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.