
MAGNA VITAE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Chairman of Trustees	D A Stephenson (resigned 9 July 2021) P M Helps, Interim
Local Authority Trustees	H A Matthews (resigned 20 May 2021) S R Parkin S R Kirk (appointed 20 May 2021)
Community Trustees	K W Ball (appointed 23 November 2020, resigned 26 July 2021) I R Emmerson OBE R E Goldsmith (resigned 22 September 2020) S L Kitchen (resigned 24 September 2020) A R Lidgard J C Stones D Warden (appointed 25 August 2021)
Employee Trustee	R A S Cameron
Company Registered Number	09078400
Charity Registered Number	1160156
Registered Office	Meridian Leisure Centre Wood Lane Louth Lincolnshire LN11 8SA
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Barclays Bank plc 64 Eastgate Louth LN11 9PG

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charitable company for the purposes of the Companies Act) are pleased to present their annual report together with the audited financial statements of Magna Vitae (the Trust) for the year ended 31 March 2021.

The Trustees confirm that the Annual Report and Financial Statements of the Trust have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015) and Update Bulletin 2 (effective 1 January 2019).

Since the Trust qualifies as small, under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

Policies and Objectives

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

The Trustees are confident that the activities of Magna Vitae are carried out for the benefit of others as is detailed in the rest of the information within the Trustees report.

The Trust's revenues and any operating surpluses are re-invested to continually develop and improve outcomes for the people of East Lindsey.

Our Purpose

As a charitable trust, our purpose is to provide an extraordinary range of cultural, leisure and health related facilities and services that allow local people to lead a great life.

We will develop and sustain a thriving and successful culture and leisure business that encourages innovation and expansion to maximise the opportunities for the community we serve.

Our Vision

Our VISION is to improve the wellbeing of our community, enabling people to live great lives.

Our Mission

Our MISSION is to clearly demonstrate proactive and innovative leadership that will generate positive change in the areas of social and economic inequality. We are committed to empowering local people by reaching out with humanity and compassion.

Our Values

- We are in this together.
- We embrace change.
- We are always learning.
- We celebrate differences.

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FOR THE YEAR ENDED 31 MARCH 2021

Our Charitable Objectives

- To provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstance or to the public at large with the object of improving their conditions of life; and/or
- To promote community participation in healthy recreational activities; and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all who use the facilities; and/or
- To promote the education of the public through the provision of facilities for performing arts and/or
- Such other charitable purposes as the Trustees in their absolute discretion may determine.

Magna Vitae has a strategic partnership with East Lindsey District Council (ELDC). During the next five years it is the objective of the Board, Senior Leadership Team and staff of Magna Vitae to strategically develop and grow the business in collaboration following the COVID-19 Pandemic.

The business will seek to achieve this through four key drivers:

1. Ensuring correct structure, systems and people in place.
2. Enabling more people to access our services.
3. Improving customer experiences.
4. Growing our income, supporters, partners and beneficiaries both inside and outside East Lindsey.

Market Conditions

Magna Vitae has been severely affected by the COVID-19 Pandemic. The provision of facilities, programmes and events effectively ceased for much of the year through a series of National Lockdowns and partial closures. Most venues reopened on 12 April 2021 in line with the government Road Map; the Embassy Theatre reopened on 17 May 2021.

According to the Office of National Statistics (ONS) mid-year population estimates for the District in 2015 – the latest available – show the population of East Lindsey is 137,900. The District's population is projected to experience growth of 11.4% by 2037. It has been projected that the 16-64 years age group will reduce from 56.4% of the population in 2015 to 48.8% of the population in 2037, along with a slight reduction in the proportion who are aged 0-15 years, this means that the proportion of the population of East Lindsey that is aged 65 or older will continue to grow.

In terms of deprivation, East Lindsey is ranked the 33rd most deprived local authority district area in England, out of 326. This means that the District is just on the border of being ranked in the top 10% of the most deprived local authority district areas in England.

When compared against figures for England males have an average life expectancy of 0.6 fewer years than the national average, whereas females have an average life expectancy of 0.9 fewer years than the national average.

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The success of Magna Vitae's activities is evidence of the community value generated from investment in leisure, sport, culture and physical activity. Magna Vitae has invested in national benchmarking regarding its social value in order to measure community impact/savings generated across four key areas:

1. Wellbeing
2. Education
3. Healthcare
4. Crime

Current Principal Activities

Physical Activity and Sport:

Magna Vitae provides a broad and diverse infrastructure and range of community focused facilities and services, incorporating swimming pools (indoor and outdoor), sports halls, fitness facilities, fitness classes, meeting rooms, conferencing venues, outdoor sports pitches, and multi-use games area.

The Trust operates the leisure venues owned by the District Council comprising:

- Meridian Leisure Centre (MLC), Louth – opened in 2010. This is the flagship leisure facility and welcomed 45,944 visits in 2020/21.
- Wood Lane football pitch & Multi-Use Games Area (MUGA).
- London Road Pavilion (LRP), Louth – this is the home ground to local football, cricket and hockey clubs. Historically it attracts approximately 75,000 visits each year.
- Charles Street Recreation Ground, Louth – provides tennis and community gardens.
- Horncastle Swimming Pool & Fitness Suite (HSP) – offers a wide and diverse programme, which saw 9,812 visits in 2020/21.
- Skegness Swimming Pool & Fitness Suite (SSP) – consists of an indoor pool, attractive seasonal outdoor pool and fitness suite. Annual throughput of 19,375 visits.
- Station Sports Centre (SSC), Mablethorpe – this is the least 'fit for purpose' venue in the portfolio. Opened in 1984 and refurbished in 1997. Attracted over just over 6,000 annual visits.
- Sutton-on-Sea Multi-Use Games Area (MUGA) – caters for football, tennis, basketball and has a trim trail.
- Altitude44 (A44) – Opened in August 2019, after £700k District Council investment, this unique and exciting HighWire adventure course is located next to the Skegness Pool & Fitness Suite.

Health and Wellbeing:

Magna Vitae provides a wide range of programmes, workshops and support to tackle physical inactivity, social isolation and poor health within East Lindsey. Initiatives include nutritional advice, diabetes workshops, mental health training, exercise referral programmes and activities for people with dementia, mental health conditions and other life-changing illnesses.

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Culture, Arts and Events:

The Trust manages and develops, on behalf of the District Council the arts, culture and events opportunities across the district comprising educational programmes, arts productions, festivals, and arts/sports/cultural events. Examples include:

- Arts and Culture Development and Funding Advice.
- Management of the district's flagship cultural event, SO Festival, an Arts Council England, National Portfolio Organisation (NPO) programme.
- Management and development of a local, national and international cultural activities and events programme.

In terms of economic impact our work has previously succeeded in:

- Bringing an average of £1 million annually as extra benefit to the local economy.
- Attracting single event audiences of up to 20,000 visitors.
- Bringing 'new' media coverage and positive promotion of the area.
- Securing the involvement of key strategic partners including for example Arts Council England; the FA; Sport England; AMCA; The Mighty Creatives; Without Walls; Spirit of 2012; DCMS; Royal Air Force; etc.

Theatre:

Embassy Theatre with a seating capacity of 1,168 is situated in a key location on Grand Parade, Skegness. It usually hosts and promotes over 150 live shows each year; a combination of top name celebrity acts, seaside favourites, West End musicals and community productions in the fields of music, comedy, dance, drama, circus, pantomime and variety.

In addition to mainstay theatre productions the Embassy Theatre has the capability to maximise usage into a multi-functional auditorium with hydraulic seating, to house large-scale exhibitions, parties, roller disco, conferences and ballroom dancing etc, as well as installation of a high performing digital big screen system in 2020.

Café Magna:

Café Magna is a purpose built coffee shop and pizzeria located next door to the A44 climbing facility and Skegness Swimming Pool & Fitness Suite. It was built in 2019 and was operated until November 2020 by Magna Vitae Enterprises (MVE), a wholly owned trading subsidiary of Magna Vitae. From November 2020, the business operations transferred back to Magna Vitae.

Summary:

The Trust aims to operate and develop these activities, facilities and services to achieve the greatest outcomes for the local community. These activities, facilities and services detailed above broadly represent the current scope of Magna Vitae operations and are reviewed regularly to ensure they continue to meet the needs of the local population and attract people who don't currently participate. Some of these activities / programmes / services are subject to partnership funding and their ongoing provision will therefore be dependent upon those partner requirements.

The Trust recognises the importance of developing and improving its activities, facilities and services, and will actively engage in pursuing innovative and dynamic programmes designed to maximise access and opportunity to all ages and demographic groups within the local community.

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The Trust will deliver services to the highest standards of professionalism and expertise and will seek to maintain and build quality and increase accessibility. In so doing, it will strive to:

- Continuously improve facilities and satisfy ever increasing service expectation for existing users.
- Generate growth and uptake by introducing new ways of engaging with non-users.
- Provide a wide-ranging, relevant and up-to-date programme that appeals to a broad cross-section of service users.
- Continue to extend and improve the provision of high quality exercise referral services and other health related programmes.
- Work closely with all local schools, sporting clubs, cultural organisations and national governing bodies.

Achievements and Performance

Review of Activities

Corporate:

Magna Vitae has been severely affected by the COVID-19 Pandemic. The provision of facilities, programmes and events effectively ceased for much of the year through a series of National Lockdowns and partial closures, between March 2020 and June 2021, with 85% of staff members going on to furlough in March 2020. Following a series of openings and closures throughout the year, most venues reopened following Lockdown 3 on 12 April 2021 in line with the Government Roadmap; the Embassy Theatre reopened on 17 May 2021.

To limit the impact of the Pandemic and to work towards a sustainable recovery, the Trust took a number of strategic decisions during 2020, to mitigate the effect of the closure of its facilities during the lockdowns and to manage the corresponding total loss of income. These included the Trust significantly reducing its workforce, with the Chief Executive Officer also leaving the Trust, it seeking the assistance offered by Central Government through schemes such as Coronavirus Job Retention Scheme (CJRS - Furlough) and through the Retail, Leisure & Hospitality grant. The Trust also submitted successful applications to the Arts Council England's Cultural Recovery Grant programme, being awarded £374,500 through bids to two funding rounds, and a bid with East Lindsey District Council to Sport England's National Leisure Recovery Fund programme, resulted in a further award of £304,500.

Following the impact of COVID-19 on its services, staffing levels and the management of its resources through the pandemic, the Trust closed its 2020/21 financial year without seeking any further financial assistance from the Council, and with a need to draw only minimally on its own reserves. This outcome has proved to be exceptional when compared to many other leisure trusts, who have needed to request financial assistance from their respective local authority partners during the pandemic.

Staff have adapted and continue to adapt with a different model of working, utilising the workforce capabilities through a flexible team approach. At leisure venues for example, Leisure Attendants are also trained to work on Reception or in Café Magna, whilst a central communication team has enabled support to wider leisure teams. Some staff continue to work from home or a hybrid approach, offering consistent high customer service. The gradual lifting of lockdown has seen facilities start to open back up again within a set of "social distancing" restrictions that continue to limit levels of income and service development, however the quality of the services offered to the public by the Trust has been shown to remain high through recent industry benchmarking data collected. The Trust's strategy during the pandemic has subsequently also been picked up by Community Leisure UK and the Local Government Association (LGA) as a national exemplar of a Trust and local authority that have a strong working relationship and have consistently worked in partnership throughout the pandemic.

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Over the course of the 2020/21 financial year the Trust also supported East Lindsey District Council to implement a number of Government derived grant aided schemes to support residents and businesses during the pandemic. These included the delivery of the Community Support website "In This Together", COVID Advisor Team (ELDC & Boston Borough Council) and Community Testing initiatives and provision of vaccination centre staff in Louth, Skegness and Mablethorpe. Collaboration of the Trust's Marketing and Comms staff was also sanctioned for a number of months. All Trust work in supporting the needs of the most dependent and vulnerable in East Lindsey was continually maintained throughout the national pandemic period.

Physical Activity and Sport:

Leisure venues recorded 84,922 physical activity visits for the year 2020/21. This is very low compared to the participation figure reported last year due the Coronavirus restrictions and subsequent closures of all leisure sites for 8 months.

The restrictions also impacted the return of school swimming lessons, with sadly, only the home school groups returning, resulting in 131 visits for the entire year at both Skegness and Louth sites.

WaterWise learn to swim sessions returned in September 2020 but given lockdown restrictions, were placed on hold again in October, returning only for a few weeks in the December period. Meaning only 11 weeks of learn to swim delivery across our three (3) pool venues resulting in only 11,553 lesson visits for 2020/21.

All the pools follow Swim England's Learn to Swim Programme and offer all 4 frameworks; Foundation framework (Ducklings), Learn to Swim framework (Stages 1-7), Aquatic Skills framework (Competitive Swimming, Synchronised Swimming, Diving and Rookie Lifeguard) and Adult framework. Survive and Save is a RLSS qualification offered alongside the Aquatic Skills framework.

Our Magna Vitae Gymnastics programme was able to be delivered in October 2020 and also December and saw 135 members return promptly to the programme.

Altitude44 was newly opened in August 2019, after £700k District Council investment, in conjunction with Magna Vitae's investment in Café Magna. Altitude44 is a unique and exciting HighWire adventure course located next to the Skegness Pool & Fitness Suite. Its prominent location on the foreshore positions it well as a new visitor activity attraction where people can safely test their head for heights, whilst completing the fun and challenging climbing and traversing activity course. The attraction was able to operate during the Summer 2020.

Health and Wellbeing:

When COVID-19 hit, the Community Team had to devise ways to support their participants in different ways. Since the Coronavirus pandemic began, the Magna Vitae Community Team have been creating innovative ways to support, entertain and comfort the participants who access community projects, as well as supporting new individuals referred into Magna Vitae through successful partnership working. Virtual exercise classes, cheery wellbeing calls, travelling scrapbooks, surprise doorstep deliveries, telephone sports quiz leagues and funny online natters have acted as a something to look forward to, a comfort blanket, and to some individuals, a lifeline over the last year.

The 'Still Me' project continued to successfully support individuals living with a life limiting illness, including dementia, as well as support for their carers and families. During 2020/21, 982 wellbeing calls were made to individuals involved in the project and 264 doorstep visits and offers of practical support. 22 people in need were signposted to partners for more specialist advice, for example to the Admiral Nursing team. The award-winning project, funded by Louth and District Hospice Limited provides social, cultural and physical activities through dementia friendly events such as sports days, cinema visits and celebration events. We held some social sessions in Skegness and Louth when restrictions were eased in August and September of 2021 and are working towards a blended approach with both virtual and face to face sessions for 2021/22.

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FOR THE YEAR ENDED 31 MARCH 2021

Magna Vitae continued with the two TED (Talk, Eat, Drink in East Lindsey) programme projects which are funded by the National Lottery as part of the Ageing Better programme. These projects were adapted during lockdown providing 2,467 wellbeing calls and 460 doorstep visits were made for individuals aged 50+. In place of face to face, Health and Wellbeing sessions which provide nutritional advice and physical activity through the 'Fitness, Food and Friends' project were taken online over Zoom and Facebook live. The 3-weekly sessions enabled 460 attendances in sessions providing information on a variety of additional subjects including, social support, IT skills, scam awareness and nature. This project also aims to support isolated individuals to access statutory services such as NHS Steps2Change mental health service. The CHAPS project was successfully adapted and by using the 'Sporting Memories' model sessions were delivered using the power of sport to ignite conversation and reduce loneliness and isolation. There were 617 attendances in either online or telephone conference call 'Sporting Memories' sessions which provided support, friendship and entertainment for men aged 50+.

From November to March 2021, Magna Vitae received additional funding from the National Lottery's Coronavirus Community Support Fund for the "All Together" project. This project provided 50 socially isolated people with IT / Digital access and equipment so that they could increase their digital skills, become more connected with their families and take part in Magna Vitae's online activity programme. The fund also supported Magna Vitae's wider online programme through the funding of additional staff and equipment.

The Exercise on Prescription scheme, delivered as part of the Lincolnshire County Council funded integrated lifestyle programme through One You Lincolnshire was put on hold for the whole of 2020/21 whilst leisure facilities were closed. In the short window that the centres were open referrals did not recommence due to staffing restrictions in facilities and the lack of confidence of those being referred. The One You Lincolnshire programme is due to recommence in May 2021/22. Magna Vitae will also work with One You Lincolnshire to support the delivery of other OYL programmes including 'Weight Management' sessions to be held at MLC and SSC.

The Trust worked with many other partners including Louth & District Hospice Limited, DWP Job Centre Plus, Carers First, Community Lincs/YMCA, Active Lincolnshire, Lincolnshire County Council, Platform Housing, Age UK Lindsey, LCVS (Lincolnshire Community Voluntary Service), the Admiral nursing team and the Alzheimer's Society.

Culture, Arts and Events:

The past year has been extremely difficult and challenging for this aspect of MV. Our usual events; SO Festival, Mablethorpe Illuminations and Bowls were all cancelled as a direct result of COVID-19 and National lockdowns.

SO Festival was officially cancelled in the early days of Coronavirus pandemic. The decision was not taken lightly but was ultimately unavoidable. The health of everybody attending SO Festival must always be our first priority and our ability to plan efficiently and with confidence during this pandemic was drastically affected. We were unable to conduct site visits with our artiste production teams, suppliers and key services such as event first aid providers, refocused their business to support the NHS and the wider care sector. Half of our programme would have been international artists, for whom the ability to travel was very uncertain.

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As a team we felt it was important that we didn't let this disappointment get us down and with the support of Arts Council England's National Portfolio Funding we refocused our programme of work in 2020:

- We supported Lincolnshire creatives to access emergency funding: 36 individuals or organisations were supported, with 20 being from East Lindsey.
- The SOcial was moved online and featured guest speakers such as Arts Council England's Digital Tech Champions and CEO Darren Henley. Over 50 creatives from across Greater Lincolnshire engaged in weekly sessions until August 2020, which have been monthly sessions ever since. The SOcial has also created new connections and collaborations between creatives which has seen new projects delivered across the district.
- Another outcome of The SOcial is the Lincs Creatives Hub on Facebook. Created in partnership between SO Festival and Barmptot Theatre, over 400 Greater Lincolnshire creatives now help, support and promote each other through this uncertain time.

Aware that lockdown could be here longer than was first thought, our attention also turned to alternative delivery options to engage people during the lockdown and associated isolation.

A host of team members, pencils, paper and a sizeable dollop of artistic licence gave the event a name change but the fun and excitement that you know, and love, remained the same. SOfa Fest 2020 a digital international festival in partnership with Passage Festival was born. We turned our 3-day festival into a virtual event spanning just over a month. SOfa Fest 2020 exclusively commissioned Lincolnshire creatives, to provide a much-needed income during a period uncertainty. £37,000 was spent on 24 commissions which involved over 50 individual artists.

SOfa Fest 2020 was broadcast to the UK, Denmark and Sweden helping Lincolnshire creatives showcase their work internationally and reach a new audience and increase their profile. SOfa Fest 2020 had over 7,500 online views.

Another important development was the facilitation of international projects with Lincolnshire artists as part of SOfa Fest 2020; Vessel Projects with The Envelope / Brev and Sinfonia Viva's community-based SOfa Fest Choir. The SOfa Choir also made another outing in March 2021 with another international collaboration to create Selkie and the Sailor, the choir's first original composition.

Capitalising on our long-standing relationship with PASSAGE Festival in Denmark and Sweden, we deepened and extended the opportunities for artists by holding an online International discussion regarding the future of street theatre festivals as we emerged from the lockdown and grip of the Coronavirus pandemic. Panel members, represented Arts Council England, The British Council and Artistic Directors from several leading festivals across Europe gave their thoughts on what the future holds for street theatre festivals.

We also partnered with Metro Boulot Dodo (MBD) and Rural Media to deliver a series of master classes. MBD explored the possibilities of digital in arts and culture supporting Lincolnshire based artists to explore how their artistic work could benefit from, and use, the latest technologies available. Rural Media provided two master classes for creatives, focusing on improving their application pitching skills and how to self-distribute and market themselves as a creative.

Finally, to help further raise the profile of artists and creatives in Lincolnshire and for them to build relationships with artists in Helsingør and Helsingborg, we held an International SOcial (our very own networking event) with artists from the three countries on Friday 21 August 2020.

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Theatre:

During the period of enforced closure the remaining small Embassy Theatre administration team have achieved retention of customers through multiple date changes and constant communication of approximately 70%; this has kept a healthy advance commitment to return in our accounts of approximately £250k – an essential base of custom to be the jump-off point as shows begin to return and recovery begins.

To achieve this regular and multiple national Television opportunities, radio interviews, blog posts, video adverts and an extremely successful Donation campaign “Survive to Thrive” #savemyseat has been crucial in keeping interest in Arts, Theatre and Entertainment at The Embassy in the minds of local people and supporters.

As result of work done through the lockdown period and historic gains in quality of delivery, product and achievement the Embassy Theatre has been awarded to date £45,000+ towards the health and progression of its future by local donors.

In addition to a relentless schedule of programme moving, negotiations and administration - creative ways of providing nourishing content through lockdown to existing supporters and new connections were embraced; examples of which are listed on the timeline below:

Online Streaming – MAGNA VITAE PRODUCTIONS – Legends and Divas Summer Season production 2019 for venue specific content, engagement and a healthy channelling of donations via the website and SMS.

Classroom Panto – Streaming of previous MAGNA VITAE production’s own Pantomime Jack and The Beanstalk 2019 into 34 local primary schools: 5,500 children reached – links made available for those isolating at home too!

Skegness Grammar School Christmas Concert – Delivered and filmed Upstairs at the Embassy by student performers for streaming to parents, supporters and the DRET community in place of their annual Christmas Concert.

Tales around the Tree – Selection of Festive Stories staged, performed, edited and streamed each Sunday in the run up to Christmas from the central atrium of the Embassy Theatre aside a magnificently lit Christmas display. Supplied to and used by local schools too.

Leicester Comedy Festival – Co-promotion alongside the Big Difference Company of the February festival – online. After school joke-workshops and half term groups all circulated via local primary schools.

Valentines Day Live! – Free Live stream concert from Upstairs at The Embassy featuring local professional performer; generating donations and high engagement.

Word Book Day Live – Free Live stream across the full day – Lincolnshire published author readings with Children’s content also streamed into local schools. In collaboration with Lincolnshire Authors and subsequent songwriting challenge with Hammond House Publishing.

Lockdown Listening – Selection of Classic Stories/Poetry staged, performed, edited and Live Streamed each Sunday from Upstairs at The Embassy. Supplied and used by Schools across their Home Learning platforms too.

WestEnd Weekend Live! – Free Live Stream full concert featuring West End professional artistes currently residing locally. Produced and delivered Upstairs at the Embassy generating engagement and healthy donations.

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Stage to Screen - Installation of a full Digital Big Screen Experience supported financially by East Lincs Arts Forum, Arts Council England and a local benefactor. Family entertainment delivered throughout May half term with weekly Junior Movie club and Classic Musical Matinees. Event Cinema pilot launch with additional content following from National Theatre, Cinema Live, Trafalgar and Piece of Magic following later in 2021.

Comeback Comedy Hotspot – First live socially distanced event back in the auditorium supporting local award winning Comedy Promoter. Audience of 130 | 4 Comedians – Cerys Nelms, GerryK, Danny Post Hill, Troy Hawke.

Nevil Holt Schools Operatic Workshop – Working with DRET to host workshops for students with Operatic leads from Nevil Holt.

Comeback Cabaret – Social distanced live Music production featuring 5 professional vocalists and 5 professional musicians with full venue technical support. Playing to a live audience of 130 also filmed for broadcast by local theatrical media company and streamed as live free of charge to those unable to buy tickets due to the capacity restrictions remaining.

These are just some of the achievements of our venue through the enforced closure period and not an exhaustive list; many shaping the way for a new paths of activity and engagement for the future.

Financial Review

Overview Incorporating Key Financial Performance Indicators

Full details of our financial performance during the year ended 31 March 2021 are shown in the financial statements and supporting notes from page 24 onwards. The table below shows the headline income and expenditure for 2020/21 compared to 2019/20 – excluding donated services and facilities and the adjustments of the £1,580,000 deficit (2020 - £286,000 surplus) relating to the defined benefit pension scheme liability.

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	31 March 2021	31 March 2020
	£	£
Service Fee (ELDC)	1,668,848	1,733,655
Fees and Charges	22,778	431,606
Grant Income	1,718,276	384,295
Gym Membership	187,062	1,109,832
Hire Fees	57,376	267,973
Other Income	160,147	448,130
Pool Admissions	36,322	446,400
Rental Income	2,865	32,894
Show Income	1,256	898,985
Swimming Lessons	63,677	484,116
Total Income	3,918,607	6,237,885
Depreciation and Property Revaluation	180,007	74,350
Employee Costs	2,677,865	3,285,849
Premises Costs	371,156	665,669
Suppliers and Services	700,083	2,140,657
Transport	17,149	53,170
Support Services	35,149	81,461
Total Expenditure	3,981,474	6,301,156
Deficit	(62,867)	(63,225)

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The deficit for the year was £62,867 against an original budget of nil.

Income:

The COVID-19 pandemic had a huge impact on our income during the year. All of our venues were closed due to National Lockdown for 8 months in the period. This, and social distancing measures upon reopening, which limited capacity in our venues, meant that our income is much lower than the previous year. Total income was £3.9m of which 86% related to Service Fee from ELDC and emergency / recovery grant income, including furlough.

Expenditure:

Due to the venue closures and lower income streams, our expenditure was also lower in many areas, representing 63% of the previous year total. Employee costs remained our largest area of expenditure area at £2.68m.

Reserves:

The current allocation of reserves is as follows:

	31 March 2021	31 March 2020
	£	£
Income funds (restricted)	83,154	11,726
Income funds (unrestricted)	691,529	825,824
Pension reserve (deficit)	(2,455,000)	(875,000)
Total Reserves	(1,680,317)	(37,450)

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Specific consideration of the ongoing impact of the coronavirus pandemic, the assurances given formally by ELDC as the main client combined with ongoing government support measures, have all been taken into account.

Key Challenges

We continue to work with ELDC to implement the necessary changes, as agreed in our five-year business plan (2018-2023), whilst improving and diversifying to safeguard as far as possible the facilities and services provided. The business plan has been prepared to support the Council in achieving its transformation programme requirement to secure ongoing reduction in future Service Fee.

This partnership and relationship with the Council is key to ensuring that the Trust emerges in a stable and solid position post Coronavirus pandemic; and that the health and wellbeing of our communities, residents and customers was the upper most priority for 2020/21 and the following years.

The challenges of emergence after Coronavirus are most significant to ensure the Trust achieves its charitable objectives in line with community need whilst remaining financially viable & resilient.

These challenges will most effectively be met through partnership and collaboration with strategic partners locally, regionally and nationally through a whole system approach.

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FOR THE YEAR ENDED 31 MARCH 2021

Reserves Policy

Whilst Magna Vitae is a not for profit organisation, it is aware that it needs to hold working surpluses in order to create a reserve for unforeseen circumstances. The aim by April 2016 was to establish a reserve of £200,000, which was achieved, with the medium term plan of increasing reserves to £500,000 by April 2020. Unrestricted reserves stand at £691,529 excluding pension adjustments, Magna Vitae's fixed assets stand at £289k and its current (unrestricted) assets stand at £403k. The reserves will be required to support Magna Vitae during the coming year due to the ongoing impact of coronavirus.

Principal Funding

The principal income and funding streams for Magna Vitae were as follows: Service Fee from East Lindsey District Council; grant income from Arts Council England, central government via Coronavirus Job Retention Scheme (furlough), COVID business grants and the Louth and District Hospice. Income from customer's use of leisure venues and theatre income ticket sales were lower during the period due to national lockdown.

Investment Policy

Magna Vitae's investment policy is driven by four key factors:

- Security.
- Liquidity.
- Rate of return.
- Accessibility.

Investments are restricted to:-

- UK Government investments.
- UK Banks and Building Societies

Investments are permitted in the following instruments:

- Time deposits and deposit accounts with banks in accordance with the above criteria.
- Treasury Bills of 1 month, 3 month or 6 month duration.
- Common Deposit Funds and Money Market Funds

A maximum of £500,000 is to be placed with any one bank / institution excluding day to day working capital accounts. Any figure above this amount requires the agreement of the Finance Sub-Group.

This policy is reviewed by the Finance Sub-Group.

In 2020/21, the income from interest amounted to £2,546.

MAGNA VITAE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance and Management

Constitution

The Trust is a charitable company limited by guarantee, incorporated on 10 June 2014 and registered as a charity on 26 January 2015. East Lindsey District Council transferred its cultural and leisure services, comprising of sports facilities, arts activities and events, sports development and events, health improvement programmes and a theatre on 1 January 2015.

The Trust was established under a Memorandum of Association which established the objectives and powers of the organisation and is governed under its Articles of Association.

Magna Vitae operates, for an agreed service fee, certain culture, arts, recreational and sports activities on behalf of East Lindsey District Council, which leases to Magna Vitae buildings and other assets. The assets are provided at no charge to Magna Vitae on a 25 year lease/licence, which commenced on 1 January 2015 with the exception of Station Sports Centre that is on a 10 year lease.

Magna Vitae operates from 5 main sites throughout East Lindsey and employs over 100 people.

Magna Vitae is a company limited by guarantee and does not have share capital.

Method of Appointment or Election of Trustees

As a limited company Magna Vitae is governed by its Members. There are three categories of Trustees: Community Trustees, Local Authority Trustees and an Employee Trustee. The Board of Trustees is fixed at a minimum of three and maximum of eleven, with Board composition consisting of up to two Local Authority Trustees, up to eight Community Trustees and one Employee Trustee provided that the Community Trustees are at all times in the majority.

The Local Authority Trustees are selected and appointed by the local authority for such period as the authority determines. Councillor Helen Matthews resigned on 20 May 2021, with Councillor Steve Kirk being appointed on the same date.

The Community Trustees are selected following a rigorous trustee recruitment process. A Community Trustee will be required to retire by rotation whereby one third of the Community Trustees shall be required to retire each year but will be eligible for reappointment. The Community Trustees required to retire will be those who have been longest in office or in the event of the Community Trustees serving the same period of office, those required to retire shall be determined by lot. The rotational retirement requirement for Community Trustees became effective from January 2018. In May 2021, Jonathan Stones, Peter Helps and Ian Emmerson retired by rotation and were and subsequently reappointed. During the year, Roger Goldsmith and Sue Kitchen resigned as community trustees, and Ken Ball was appointed as a new community trustee.

The Employee Trustee is elected by the employees for a fixed term of 3 years and is eligible for reappointment. Ross Cameron was the Employee Trustee during the year, having been appointed in February 2020.

Trustees are required to meet at least four times a year to review the management of the organisation. They employ managers to take on the day-to-day running of the activities.

Policies Adopted for the Induction and Training of Trustees

The induction process for Trustees includes an induction programme, supported by in-depth briefings from senior managers where required and visits to our venues. Further training is arranged to meet the specific needs of individual Trustees.

MAGNA VITAE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Pay Policy for Senior Staff

Senior Leadership Team salaries are set strictly by the Board of Trustees. These were established during the company inception and subsequently reviewed and confirmed as part of the wider company employment terms and conditions review completed in April 2017. Any subsequent review would be undertaken only at the direction of the Board of Trustees.

Trustees do not receive a salary, but are entitled to claim expenses for attending meetings.

Organisational Structure

The Trustees who served during the year are listed on Page 1. The Senior Leadership Team consisted of the following:

Mark Humphreys, Chief Executive Officer (to 10 November 2020)
Aeneas Richardson, Executive Director
James Brindle, Executive Director
James Turner, Business Transformation Manager (from 1 January 2021)
Sally Topham, Finance Manager

Related Parties

Trustees and the Senior Leadership Team members are asked to complete an annual Disclosure Statement to notify Magna Vitae of any involvement in any other organisations. This was most recently completed in March 2021.

A summary of transactions with related parties are set out in note 31 in the financial statements.

Risk Management

The Board of Trustees has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve the organisation's objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned objectives and outcomes are achieved. This will also give reasonable assurance about the reliability of financial and operational information and the safeguarding of Magna Vitae's assets and reputation. This approach includes the regular evaluation of the nature and extent of risks to which Magna Vitae is exposed.

A major risk to Magna Vitae is a significant reduction in the Service Fee paid by East Lindsey District Council. The Business Plan agreed with the Council for 2018-2023 provides for a managed programme of measures, including 'invest to save' initiatives, to mitigate the Council's need for reduced direct investment in its culture and leisure services. Work is underway to develop a financial plan beyond 2023.

The Board has developed a culture of strong corporate governance. Key elements of the control framework and the system for reviewing the effectiveness of the system of internal control are as follows:

Risk Register:

The Trust's Senior Leadership Team routinely documents, monitors and evaluates identified business risks through The Risk Register. This "live" document is reviewed at least annually.

MAGNA VITAE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Planning and Approval:

Magna Vitae has adopted a formal process for approval of new projects which identifies risks and controls. This combined with the budget process, which reviews risks and controls in existing processes, generates a comprehensive review of risks.

Internal Audit:

The Board together with the Senior Leadership Team reviews the major risks and assesses the effectiveness of controls in managing those risks. This includes setting an internal audit programme of activities to assess the effectiveness of controls with the work being independently undertaken by Audit Lincolnshire whose findings are actioned as appropriate.

Monitoring and Corrective Action:

Financial reporting procedures include detailed budgets for the year ahead, detailed monthly management accounts, and longer-term financial plans used for strategic/business planning. The Senior Leadership Team reviews the reports in detail and they are considered and approved by the Trustees. Where objectives are not being met, the Senior Leadership Team report on actions being taken to correct performance, and these reports are also considered and approved by the Trustees.

Additionally, the Finance Sub-Group review in more depth the financial performance, forecasting, budgeting, business planning, audit reports and associated policies and procedures. The sub-group which consists of Community Trustees, the Chief Executive and Finance Manager has a Terms of Reference and reports regularly to the Board of Trustees.

Health and Safety:

Magna Vitae maintains suitable and sufficient management systems and implements operating procedures that ensure a safe environment for all employees, customers and others legitimately entering and using our facilities. All operations conform to and, in a number of cases, exceed the current standards laid out in relevant UK statute and regulation. This remained the case throughout 2020, with further reviews, adaptations & developments to all systems were made to account for the COVID-19 global pandemic.

As well as directly employing competently qualified and experienced senior managers, Magna Vitae's commitment to Health and Safety establishes a positive health and safety culture throughout the workforce. The Trust is supported by an annually retained external Health & Safety specialist consultancy (Right Directions Ltd). Health and Safety arrangements are also supported internally via a robust health and safety Working Group that meets quarterly with the meeting minutes being routinely submitted to the Board for update and information. Magna Vitae health and safety performance data is also routinely collated, monitored and analysed via the STITCH accident, incident and near miss reporting system. This data is also provided to Board for information; the data helps the trust benchmark health and safety performance internally (monthly) and nationally (quarterly & annually) against similar leisure facilities.

Due to the COVID-19 pandemic and subsequent business lockdowns the QUEST quality accreditation processes were temporarily suspended. All MV QUEST accredited sites are now scheduled to resume accreditation processes in the latter half of 2021. Having reopened Meridian LC following Lockdown 2 in December 2020 an external H&S audit was undertaken by Right Directions. The audit report record was deemed satisfactory. A 92% compliance rating was awarded. This audit scrutinised and accounted for all COVID safe arrangements implemented on site. Similar safety arrangements were put in place at all other operating venues and service areas. An external H&S auditing plan has been drafted and will restart in earnest from June 2021.

Equality and Diversity

During March and April 2021, equality and diversity training was undertaken by all trustees, Senior Management and Management Team members. This training will become mandatory for all new Trustees as well as part of existing Trustees ongoing CPD programme.

MAGNA VITAE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Trustees' Liability

Magna Vitae has indemnified the Trustees of Magna Vitae against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year.

None of the Trustees have any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of winding up.

Future Developments

Magna Vitae Trustees have approved a Future Direction document which sets out Magna Vitae's direction of travel in the short, medium and long term. This includes achieving the company's objectives via the concept of "Commerciality with a Conscience". The organisation is currently developing a new Corporate Strategy which will account for a new Magna Vitae five-year business plan (2022/23 to 2027/28). This business plan will fully align with Magna Vitae's mission, vision and values and also with the current East Lindsey District Council 10-year Corporate Plan.

Employee Involvement

We are committed to providing our employees with information about our activities, consulting with them on major changes and generally developing an open culture in the organisation. Regular meetings are held between managers and staff teams to allow free flow of information, and we hold team briefing and social sessions to update staff on strategy and other major developments on a regular basis.

2020/21 saw the introduction of independent organisational workforce consultation through Tensense. This AI technology provides feedback, a business nervous system employed across the organisation to help shape organisational priorities, empower, inform and subsequently motivate the workforce. The workforce being our most valued asset.

Staff, Volunteers and Trustees

Finally, I would like to thank the staff, volunteers and Trustees of Magna Vitae for their undiminishing commitment, resolve and hard work under the most testing of circumstances throughout the past year.

MAGNA VITAE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees, who are also the Directors of Magna Vitae for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the Trustees has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Approved by order of the members of the board of Trustees on 22 July 2021 and signed on their behalf by:

P M Helps
Chairman of Trustees (Interim)

MAGNA VITAE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA VITAE

Opinion

We have audited the financial statements of Magna Vitae (the 'trust') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 United Kingdom, including the Financial Reporting Council'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.

MAGNA VITAE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA VITAE (CONTINUED)

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 Auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

MAGNA VITAE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA VITAE (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditor's 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 an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 identified the laws and regulations applicable to the trust through discussions with directors and other management, and from our commercial knowledge and experience of the trust and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

MAGNA VITAE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA VITAE (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

MAGNA VITAE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA VITAE (CONTINUED)

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 Auditor's 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

4 October 2021

MAGNA VITAE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	185,250	24,183	209,433	191,484
Charitable activities	5	2,174,943	1,716,859	3,891,802	6,221,763
Other trading activities	6	75	-	75	-
Investments	7	2,547	-	2,547	9,934
Total income		2,362,815	1,741,042	4,103,857	6,423,181
Expenditure on:					
Raising funds	8	38,266	-	38,266	59,992
Charitable activities	9	2,560,664	1,663,835	4,224,499	6,911,414
Total expenditure		2,598,930	1,663,835	4,262,765	6,971,406
Net (expenditure)/income before net losses on investments		(236,115)	77,207	(158,908)	(548,225)
Loss on revaluation of investment property		(102,959)	-	(102,959)	-
Net (expenditure)/income		(339,074)	77,207	(261,867)	(548,225)
Transfers between funds	22	5,779	(5,779)	-	-
Net movement in funds before other recognised gains/(losses)		(333,295)	71,428	(261,867)	(548,225)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	28	(1,381,000)	-	(1,381,000)	771,000
Net movement in funds		(1,714,295)	71,428	(1,642,867)	222,775
Reconciliation of funds:					
Total funds brought forward		(49,176)	11,726	(37,450)	(260,225)
Net movement in funds		(1,714,295)	71,428	(1,642,867)	222,775
Total funds carried forward		(1,763,471)	83,154	(1,680,317)	(37,450)

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 62 form part of these financial statements.

MAGNA VITAE
(A company limited by guarantee)
REGISTERED NUMBER: 09078400

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	27,356	36,474
Tangible assets	15	68,024	100,698
Investments	17	1	1
Investment property	16	193,528	318,253
		<u>288,909</u>	<u>455,426</u>
Current assets			
Stocks	18	16,060	22,437
Debtors	19	241,115	159,462
Investments	20	527,956	276,216
Cash at bank and in hand		527,753	763,895
		<u>1,312,884</u>	<u>1,222,010</u>
Creditors: amounts falling due within one year	21	(827,110)	(839,886)
Net current assets		<u>485,774</u>	<u>382,124</u>
Total assets less current liabilities		<u>774,683</u>	<u>837,550</u>
Net assets excluding pension liability		<u>774,683</u>	<u>837,550</u>
Defined benefit pension scheme liability	28	(2,455,000)	(875,000)
Total net assets		<u><u>(1,680,317)</u></u>	<u><u>(37,450)</u></u>

MAGNA VITAE
(A company limited by guarantee)
REGISTERED NUMBER: 09078400

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Trust funds			
Restricted funds	22	83,154	11,726
Unrestricted funds			
Unrestricted funds excluding pension reserve	22	691,529	825,824
Pension reserve	22	(2,455,000)	(875,000)
Total unrestricted funds	22	(1,763,471)	(49,176)
Total funds		(1,680,317)	(37,450)

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 22 July 2021 and signed on their behalf by:

P M Helps
Chairman of Trustees (Interim)

The notes on pages 29 to 62 form part of these financial statements.

MAGNA VITAE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	26,371	139,525
Cash flows from investing activities		
Purchase of intangible assets	-	(12,642)
Purchase of tangible fixed assets	(13,490)	(95,054)
Purchase of investment property	-	(149,998)
Interest received	2,717	9,390
Net cash withdrawn from / (placed in) investments	(251,740)	643,871
Net cash (used in)/provided by investing activities	(262,513)	395,567
Change in cash and cash equivalents in the year	(236,142)	535,092
Cash and cash equivalents at the beginning of the year	763,895	228,803
Cash and cash equivalents at the end of the year	527,753	763,895

The notes on pages 29 to 62 form part of these financial statements

MAGNA VITAE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Magna Vitae (the Trust) is a limited company by guarantee incorporated in England and Wales and a registered charity. The Trust's registered office is at Meridian Leisure Centre, Wood Lane, Louth, Lincolnshire, LN11 8SA. The Trust's principal activity is the operation of cultural and leisure facilities.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Magna Vitae meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Going concern

At the year-end, the balance sheet shows an overall deficit because of the defined benefit pension scheme but demonstrates a strong net current assets position. The defined benefit pension scheme is not an immediately crystallising liability and amounts continue to be paid in line with the agreed current contribution rates.

Furthermore, the Trustees have reviewed its plans and forecasts created by the continued uncertainty and disruption to its activities resulting from the COVID-19 pandemic and under that basis remain confident that the Trust will continue to maintain adequate resources to continue in operational existence for the foreseeable future.

The Trustees consider that it is appropriate to prepare the financial statements on the going concern basis.

MAGNA VITAE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Trust which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Trust's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

MAGNA VITAE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.7 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 5 years
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2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant, machinery and fixtures	- 3 - 6 years
-------------------------------	---------------

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.10 Investment property

Investment property is initially recognised at cost and is subsequently measured at fair value at the balance sheet date. Revaluation gains or losses are shown in the heading gains / losses on investment property in the statement of financial activities incorporating income and expenditure account.

Investment property contains a balance in respect of cafe equipment which is initially recognised at cost and subsequently measured cost less an accumulated write-down. The write-down is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives on a straight line basis. The estimated useful life of the assets is 4 years.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand represents cash held in bank current account and deposit account facilities that the Trust has instant access and cash floats.

2.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.16 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Intangible, tangible fixed assets and investment property are recognised at cost or valuation, less accumulated depreciation / amortisation and any impairment. Depreciation / amortisation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The present value of the Local Government Pension Scheme defined benefit liability 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	-	24,183	24,183
Donated Services and Facilities	185,250	-	185,250
	<u>185,250</u>	<u>24,183</u>	<u>209,433</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	4,487	1,747	6,234
Donated Services and Facilities	185,250	-	185,250
	<u>189,737</u>	<u>1,747</u>	<u>191,484</u>

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Culture	1,801	189,430	191,231
Health Improvement	74,599	152,418	227,017
Sports & Leisure	399,579	902,082	1,301,661
Theatre	(13,629)	405,819	392,190
Other	1,712,593	67,110	1,779,703
	<u>2,174,943</u>	<u>1,716,859</u>	<u>3,891,802</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Culture	11,028	167,000	178,028
Health Improvement	28,010	187,284	215,294
Sports & Leisure	2,651,413	22,830	2,674,243
Theatre	1,304,996	4,843	1,309,839
Other	1,840,859	3,500	1,844,359
	<u>5,836,306</u>	<u>385,457</u>	<u>6,221,763</u>

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Cafe Income	<u>75</u>	<u>75</u>	<u>-</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Group Interest Receivable	261	261
Bank Interest Receivable	2,286	2,286
	<u>2,547</u>	<u>2,547</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Group Interest Receivable	473	473
Bank Interest Receivable	9,461	9,461
	<u>9,934</u>	<u>9,934</u>

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £
Wages and Salaries	6,080	6,080
National Insurance	619	619
Pension Costs	1,157	1,157
	<u>7,856</u>	<u>7,856</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Wages and Salaries	6,086	6,086
National Insurance	479	479
Pension Costs	2,142	2,142
	<u>8,707</u>	<u>8,707</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Expenditure on raising funds (continued)

Expenditure for activities for generating funds

	Unrestricted funds 2021 £	Total funds 2021 £
Other Costs	8,645	8,645
Depreciation	21,765	21,765
	<hr/> 30,410 <hr/>	<hr/> 30,410 <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Other Costs	29,520	29,520
Depreciation	21,765	21,765
	<hr/> 51,285 <hr/>	<hr/> 51,285 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Culture	68,584	170,598	239,182
Health Improvement	211,957	132,862	344,819
Sports & Leisure	1,871,939	902,360	2,774,299
Theatre	408,184	390,819	799,003
Other	-	67,196	67,196
	<u>2,560,664</u>	<u>1,663,835</u>	<u>4,224,499</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Culture	202,096	242,000	444,096
Health Improvement	200,886	188,297	389,183
Sports & Leisure	4,101,694	22,830	4,124,524
Theatre	1,845,935	4,843	1,850,778
Other	99,333	3,500	102,833
	<u>6,449,944</u>	<u>461,470</u>	<u>6,911,414</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Culture	196,081	43,101	239,182
Health Improvement	282,682	62,137	344,819
Sports & Leisure	2,274,363	499,936	2,774,299
Theatre	655,020	143,983	799,003
Other	67,196	-	67,196
	<u>3,475,342</u>	<u>749,157</u>	<u>4,224,499</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Culture	402,153	41,943	444,096
Health Improvement	335,230	53,953	389,183
Sports & Leisure	3,586,232	538,292	4,124,524
Theatre	1,606,834	243,944	1,850,778
Other	102,833	-	102,833
	<u>6,033,282</u>	<u>878,132</u>	<u>6,911,414</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Culture 2021 £	Health Improvement 2021 £	Sports & Leisure 2021 £	Theatre 2021 £
Pension Finance Cost	1,036	1,493	12,012	3,459
Staff Costs	124,523	232,276	1,462,138	410,691
Depreciation	832	1,992	36,121	16,338
Service Provision Costs	17,027	6,132	21,332	20,902
Goods for Resale	-	-	6,580	1,765
Performers and Entertainers	37,784	-	-	278
Other Employee Costs	485	810	7,121	8,612
Rent, Rates and Utilities	665	(123)	408,852	92,707
Repairs, Maintenance and Cleaning	1,950	11,987	81,356	51,129
Insurance	3,524	5,080	40,875	11,772
Travel Costs	834	7,024	8,430	775
Printing, Postage and Stationery	183	372	1,129	(564)
Advertising and Promotion	2,079	3,980	14,477	6,096
IT, Telephone and Internet	489	6,755	31,222	2,845
Other Costs	1,075	1,677	92,061	3,270
Bank Charges	252	316	6,072	22,263
Irrecoverable VAT	3,343	2,911	44,585	2,682
	196,081	282,682	2,274,363	655,020
	196,081	282,682	2,274,363	655,020

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Other 2021 £	Total funds 2021 £
Pension Finance Cost	-	18,000
Staff Costs	57,360	2,286,988
Depreciation	-	55,283
Service Provision Costs	-	65,393
Goods for Resale	-	8,345
Performers and Entertainers	-	38,062
Other Employee Costs	-	17,028
Rent, Rates and Utilities	-	502,101
Repairs, Maintenance and Cleaning	2,041	148,463
Insurance	-	61,251
Travel Costs	-	17,063
Printing, Postage and Stationery	-	1,120
Advertising and Promotion	4	26,636
IT, Telephone and Internet	1,041	42,352
Other Costs	6,750	104,833
Bank Charges	-	28,903
Irrecoverable VAT	-	53,521
	67,196	3,475,342
	67,196	3,475,342

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Culture</i> 2020 £	<i>Health Improvement</i> 2020 £	<i>Sports & Leisure</i> 2020 £	<i>Theatre</i> 2020 £
Pension Finance Cost	20,907	1,237	8,654	4,202
Staff Costs	139,174	256,753	2,179,459	489,772
Depreciation	935	1,612	32,548	17,490
Service Provision Costs	58,524	21,609	87,668	61,793
Goods for Resale	-	-	65,281	59,244
Performers and Entertainers	56,135	3,815	-	665,565
Other Employee Costs	2,498	3,775	25,636	9,634
Rent, Rates and Utilities	4,032	6,721	642,269	99,342
Repairs, Maintenance and Cleaning	16,432	9,143	183,990	45,270
Insurance	4,435	3,885	41,620	18,644
Travel Costs	32,258	13,342	26,917	4,688
Printing, Postage and Stationery	1,114	2,088	14,857	20,264
Advertising and Promotion	15,027	5,439	85,811	53,783
IT, Telephone and Internet	967	708	45,316	5,872
Other Costs	36,888	1,809	60,117	10,786
Bank Charges	945	696	21,125	36,512
Irrecoverable VAT	11,882	2,598	64,964	3,973
	<u>402,153</u>	<u>335,230</u>	<u>3,586,232</u>	<u>1,606,834</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Other 2020 £</i>	<i>Total funds 2020 £</i>
Pension Finance Cost	-	35,000
Staff Costs	77,282	3,142,440
Depreciation	-	52,585
Service Provision Costs	3,500	233,094
Goods for Resale	-	124,525
Performers and Entertainers	-	725,515
Other Employee Costs	-	41,543
Rent, Rates and Utilities	-	752,364
Repairs, Maintenance and Cleaning	17,271	272,106
Insurance	-	68,584
Travel Costs	-	77,205
Printing, Postage and Stationery	-	38,323
Advertising and Promotion	-	160,060
IT, Telephone and Internet	3,484	56,347
Other Costs	-	109,600
Bank Charges	-	59,278
Irrecoverable VAT	1,296	84,713
	<u>102,833</u>	<u>6,033,282</u>

MAGNA VITAE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Culture 2021 £	Health Improvement 2021 £	Sports & Leisure 2021 £	Theatre 2021 £	Total funds 2021 £
Staff Costs	25,992	37,473	301,489	86,829	451,783
Other Costs	10,743	15,486	124,600	35,886	186,715
Support Service Agreements	2,022	2,915	23,457	6,755	35,149
Governance Costs	4,344	6,263	50,390	14,513	75,510
	<u>43,101</u>	<u>62,137</u>	<u>499,936</u>	<u>143,983</u>	<u>749,157</u>

	Culture 2020 £	Health Improvement 2020 £	Sports & Leisure 2020 £	Theatre 2020 £	Total funds 2020 £
Staff Costs	28,083	24,604	263,547	118,060	434,294
Other Costs	16,048	14,060	150,606	67,466	248,180
Support Service Agreements	5,268	4,615	49,434	22,144	81,461
Governance Costs	(7,456)	10,674	74,705	36,274	114,197
	<u>41,943</u>	<u>53,953</u>	<u>538,292</u>	<u>243,944</u>	<u>878,132</u>

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	7,250	7,250
Fees payable to the Trust's auditor in respect of: All taxation advisory services not included above	<u>-</u>	<u>2,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Staff costs

	2021 £	2020 £
Wages and salaries	2,254,219	2,786,868
Social security costs	145,831	171,994
Contribution to defined contribution pension schemes	26,317	30,315
Operating costs of defined benefit pension schemes	387,000	700,000
	<u>2,813,367</u>	<u>3,689,177</u>

Wages and salaries above include a total of £167,624 (2020 - £31,022) relating to redundancy, PILON and other exit payments during the year.

The average number of persons employed by the Trust during the year was as follows:

	2021 No.	2020 No.
Culture	4	6
Health Improvement	9	8
Sports & Leisure	88	132
Theatre	16	28
Management	12	12
	<u>129</u>	<u>186</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Culture	3	4
Health Improvement	6	6
Sports & Leisure	66	87
Theatre	11	20
Management	12	12
	<u>98</u>	<u>129</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Staff costs (continued)

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	-	1
In the band £160,001 - £170,000	1	-

The key management personnel of the Trust comprise the Employee Trustee(s) and the Senior Leadership Team as included in the Report to Trustees. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £440,750 (2020 - £336,500).

The remuneration of key management personnel and disclosure of higher paid employees above include an exceptional one-off exit payment during the year.

13. Trustees' remuneration and expenses

The Employee Trustee(s) received remuneration in the following bandings for the period they were a trustee:

	2021	2020
	£	£
R A S Cameron	£20k - £25k	£0k - £5k
H Field	£nil	£20k - £25k

During the year, retirement benefits were accruing to 1 trustee (2020 - 2 trustees) in respect of defined benefit pension schemes.

Remuneration is received in respect of their contracts of employment and not in respect of their role as a trustee.

Other trustees do not receive any remuneration from the Trust.

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £686).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Intangible assets

	Computer software £
Cost	
At 1 April 2020	45,593
At 31 March 2021	45,593
Amortisation	
At 1 April 2020	9,119
Charge for the year	9,118
At 31 March 2021	18,237
Net book value	
At 31 March 2021	27,356
<i>At 31 March 2020</i>	36,474

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Tangible fixed assets

	Plant, machinery and fixtures £
Cost or valuation	
At 1 April 2020	257,672
Additions	13,490
At 31 March 2021	<u>271,162</u>
Depreciation	
At 1 April 2020	156,974
Charge for the year	46,164
At 31 March 2021	<u>203,138</u>
Net book value	
At 31 March 2021	<u><u>68,024</u></u>
At 31 March 2020	<u><u>100,698</u></u>

16. Investment property

	Cafe property £	Cafe equipment £	Total £
Valuation			
At 1 April 2020	252,959	65,294	318,253
Loss on revaluation	(102,959)	-	(102,959)
Write-down	-	(21,766)	(21,766)
At 31 March 2021	<u><u>150,000</u></u>	<u><u>43,528</u></u>	<u><u>193,528</u></u>

Cafe property was initially recorded at cost. The property has subsequently valued at fair value based on an independent valuation prepared by a suitably qualified third party.

Cafe equipment has initially been recorded at cost and is being written down to its residual value over its useful economic life.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	1
At 31 March 2021	<u>1</u>
Net book value	
At 31 March 2021	<u>1</u>
<i>At 31 March 2020</i>	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Principal activity	Class of shares	Holding
Magna Vitae Enterprises Limited	11788244	Operation of Cafe	Ordinary	100%

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net liabilities £
Magna Vitae Enterprises Limited	34,182	(33,838)	344	(33,833)

The registered office of Magna Vitae Enterprises Limited is the same as the Trust as disclosed on page 1.

During the year, as a result of the pandemic, an agreement was made to transfer the operations of the subsidiary to the Trust. As a result, at the year-end, the subsidiary company was dormant.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Stocks

	2021 £	2020 £
Finished goods and goods for resale	16,060	22,437

19. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	81,966	46,274
Amounts owed by group undertakings	298	17
Other debtors	11,832	104
Prepayments and accrued income	147,019	113,067
	241,115	159,462

20. Current asset investments

	2021 £	2020 £
Cash investments in notice accounts	527,956	276,216

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

21. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	111,836	106,958
Other taxation and social security	29,166	64,550
Other creditors	20,114	49,469
Accruals and deferred income	665,994	618,909
	<u>827,110</u>	<u>839,886</u>
	2021 £	2020 £
Deferred income at 1 April	470,437	471,852
Resources deferred during the year	159,427	458,307
Amounts released from previous periods	(142,132)	(459,722)
Deferred income at 31 March	<u>487,732</u>	<u>470,437</u>

Deferred income represents Grants and Other Income Received in Advance, Box Office Ticket Sales in Advance of Shows and Unspent Gift Vouchers.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Cultural and Wellbeing Projects	50,000	-	-	-	-	50,000
General funds						
Reserves	775,824	2,362,815	(2,399,930)	5,779	(102,959)	641,529
Pension Reserve	(875,000)	-	(199,000)	-	(1,381,000)	(2,455,000)
	(99,176)	2,362,815	(2,598,930)	5,779	(1,483,959)	(1,813,471)
Total Unrestricted funds	(49,176)	2,362,815	(2,598,930)	5,779	(1,483,959)	(1,763,471)
Restricted funds						
SO Festival	-	155,719	(136,878)	-	-	18,841
Theatre Donations	-	35,492	-	-	-	35,492
Cultural / Health Improvement Projects	1,720	150,379	(127,419)	(5,865)	-	18,815
Sports Projects	10,006	278	(278)	-	-	10,006
Other	-	9,750	(9,836)	86	-	-
COVID Support	-	1,174,731	(1,174,731)	-	-	-
Cultural Recovery Fund	-	214,693	(214,693)	-	-	-
	11,726	1,741,042	(1,663,835)	(5,779)	-	83,154

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Total of funds	(37,450)	4,103,857	(4,262,765)	-	(1,483,959)	(1,680,317)

Unrestricted Funds:

General Funds

General Funds are those funds not designated towards any project in particular and can be used towards any of the Trust's objectives.

At the year-end, the Trustees have designated £50,000 for cultural and wellbeing projects where the operational budgets may be insufficient or for the match-funding of any new projects.

Pension Reserve

The Pension Reserve represents the year-end deficit balance on the Trust's pension scheme. Whilst this creates a deficit in unrestricted funds, it is not an immediately crystallising liability and contributions have and will be made in line with the actuary's recommendations. East Lindsey District Council continues to act as a guarantor.

Material Restricted Funds:

SO Festival

SO Festival represents incoming resources (including specific funding from Arts Council England) received to put on the annual SO Festival in August / September each year.

Cultural / Health Improvement Projects

This includes funding from Louth and District Hospice to fund the Still Me dementia support project and Talk, Eat, Drink in East Lindsey projects funded by the National Lottery as part of the Aging Better programme.

COVID Support

COVID Support includes funding from the Government's Coronavirus Job Retention Scheme (CJRS) to support the Trust's employees through the pandemic as well as local authority grants available. In the analysis of income, the grant funding has been split between activities.

Cultural Recovery Fund

The Cultural Recovery Fund is a grant to support the recovery of cultural venues and activities due to the pandemic.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds						
Designated funds						
Capital Funds Projects	300,000	-	-	(300,000)	-	-
Cultural and Wellbeing Projects	50,000	-	-	-	-	50,000
	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>50,000</u>
General funds						
Reserves	539,783	6,035,977	(6,024,936)	225,000	-	775,824
Pension Reserve	(1,161,000)	-	(485,000)	-	771,000	(875,000)
	<u>(621,217)</u>	<u>6,035,977</u>	<u>(6,509,936)</u>	<u>225,000</u>	<u>771,000</u>	<u>(99,176)</u>
Total Unrestricted funds	<u>(271,217)</u>	<u>6,035,977</u>	<u>(6,509,936)</u>	<u>(75,000)</u>	<u>771,000</u>	<u>(49,176)</u>
Restricted funds						
SO Festival	-	167,000	(242,000)	75,000	-	-
Cultural / Health Improvement Projects	986	188,704	(187,970)	-	-	1,720
Sports Projects	10,006	-	-	-	-	10,006
Other	-	3,500	(3,500)	-	-	-
COVID Support	-	28,000	(28,000)	-	-	-
	<u>10,992</u>	<u>387,204</u>	<u>(461,470)</u>	<u>75,000</u>	<u>-</u>	<u>11,726</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Total of funds	(260,225)	6,423,181	(6,971,406)	-	771,000	(37,450)

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	50,000	-	-	-	-	50,000
General funds	(99,176)	2,362,815	(2,598,930)	5,779	(1,483,959)	(1,813,471)
Restricted funds	11,726	1,741,042	(1,663,835)	(5,779)	-	83,154
	(37,450)	4,103,857	(4,262,765)	-	(1,483,959)	(1,680,317)

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Designated funds	350,000	-	-	(300,000)	-	50,000
General funds	(621,217)	6,035,977	(6,509,936)	225,000	771,000	(99,176)
Restricted funds	10,992	387,204	(461,470)	75,000	-	11,726
	(260,225)	6,423,181	(6,971,406)	-	771,000	(37,450)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	68,024	-	68,024
Intangible fixed assets	27,356	-	27,356
Fixed asset investments	1	-	1
Investment property	193,528	-	193,528
Current assets	1,229,730	83,154	1,312,884
Creditors due within one year	(827,110)	-	(827,110)
Provisions for liabilities and charges	(2,455,000)	-	(2,455,000)
Total	(1,763,471)	83,154	(1,680,317)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	100,698	-	100,698
Intangible fixed assets	36,474	-	36,474
Fixed asset investments	1	-	1
Investment property	318,253	-	318,253
Current assets	1,210,284	11,726	1,222,010
Creditors due within one year	(839,886)	-	(839,886)
Provisions for liabilities and charges	(875,000)	-	(875,000)
Total	(49,176)	11,726	(37,450)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(261,867)	(548,225)
Adjustments for:		
Depreciation charges	67,930	65,231
Amortisation charges	9,118	9,119
Loss on revaluation of investment property	102,959	-
Interest receivable	(2,547)	(9,934)
Decrease in stocks	6,377	1,962
Decrease/(increase) in debtors	(81,823)	15,193
Increase/(decrease) in creditors	(12,776)	121,179
Pension scheme FRS102 actuarial adjustments	199,000	485,000
Net cash provided by operating activities	26,371	139,525

26. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	527,753	763,895
Total cash and cash equivalents	527,753	763,895

27. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	763,895	(236,142)	527,753
Cash investments	276,216	251,740	527,956
	1,040,111	15,598	1,055,709

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

28. Pension commitments

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £26,317 (2020 - £30,315). Total contributions amounting to £5,480 (2020 - £8,212) were payable to the fund at the balance sheet date which is included in other creditors.

The Trust operates a defined benefit pension scheme.

The Trust's employees belong to the Local Government Pension Scheme (LGPS), which is managed by Lincolnshire County Council. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The LGPS is subject to a triennial valuation.

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. Details of the total contributions during the year are given in the analysis below. The agreed contribution rates for future years are 14.9% for the Trust and a maximum of 12.5% for employees.

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

	At 31 March 2021 %	At 31 March 2020 %
Discount Rate	2.05	2.30
Salary Increase Rate	1.00	1.00
Pension Increase Rate	2.80	1.80

	At 31 March 2021 Years	At 31 March 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.1	21.4
- at 65 for a male aged 45 now	22.0	22.4
- for a female aged 65 now	23.6	23.7
- at 65 for a female aged 45 now	25.0	25.2

Sensitivity analysis

	At 31 March 2021 £	At 31 March 2020 £
0.5% Decrease in Discount Rate	1,890,000	1,364,000
0.5% Increase in Salary Increase Rate	320,000	185,000
0.5% Increase in Pension Increase Rate	1,555,000	1,168,000

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

The Trust's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities	6,753,000	4,905,000
Bonds	1,297,000	1,736,000
Property	985,000	830,000
Cash	383,000	75,000
Total fair value of assets	9,418,000	7,546,000

The actual return on scheme assets was £1,717,000 (2020 - £(938,000)).

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

	2021 £	2020 £
Current service cost	365,000	698,000
Past service cost	22,000	2,000
Interest income	(175,000)	(209,000)
Interest cost	193,000	244,000
Administrative expenses	6,000	-
Total amount recognised in the Statement of financial activities	411,000	735,000

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	8,421,000
Current service cost	365,000
Interest cost on defined benefit obligation	193,000
Contributions by scheme participants	77,000
Changes in assumptions	2,923,000
Benefits paid	(128,000)
Past service costs	22,000
Closing defined benefit obligation	11,873,000

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28. Pension commitments (continued)

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	7,546,000
Interest income on plan assets	175,000
Return on assets excluding amounts included in net interest	1,542,000
Contributions by employer	212,000
Contributions by scheme participants	77,000
Benefits paid	(128,000)
Administration expenses	(6,000)
Closing fair value of scheme assets	9,418,000

29. Operating lease commitments

At 31 March 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	70,000	70,000
Later than 1 year and not later than 5 years	280,000	280,000
Later than 5 years	962,740	1,032,740
	1,312,740	1,382,740

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2021 £	2020 £
Operating lease rentals	70,000	46,027

30. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

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31. Related party transactions

The following transactions and balances have been undertaken which require disclosure in line with the requirements of the Charities SORP:

Magna Vitae Enterprises Limited:

Magna Vitae Enterprises Limited is a wholly owned subsidiary of Magna Vitae. During the year, Magna Vitae continued to provide finance and recharge expenses paid for on behalf of Magna Vitae Enterprises Limited. The balance outstanding at the year-end was £36,329 (2020 - £38,702). Due to uncertainty over recoverability, Magna Vitae have included a provision of £36,031 (2020 - £38,685) leaving a balance of £298 (2020 - £17) included in amounts owed by group undertakings.

Trustees:

A R Lidgard has significant influence and control over Brackenborough Limited. During the year, the company provided catering services at a cost of £800 (2020 - £800). There was no balance outstanding at either year-end.

P Helps has significant influence over Viva Chamber Orchestra Ltd and Sinfonia Viva Events Limited. During the year, the companies provided production services at a cost of £3,801 (2020 - £18,825). There was no balance outstanding at either year-end. This relationship ceased during the year.

Key Management Personnel:

The spouse of James Brindle runs First Cricket. During the year, the club has paid hire costs of £361 (2020 - £1,076). There was no balance outstanding at either year-end.