

Company registration number: 08293679

Charity registration number: 1169071

# Lincs Inspire Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Forrester Boyd  
26 South Saint Mary's Gate  
Grimsby  
North East Lincolnshire  
DN31 1LW

# **Lincs Inspire Limited**

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## **Lincs Inspire Limited**

### **Reference and Administrative Details**

<b>Chairman</b>	M Towle
<b>Trustees</b>	A Bird S Bhaduri S Jack T Walker
<b>Secretary</b>	R Marshall
<b>Senior Management Team</b>	S Wells, CEO D Huddleston, Finance Director A Hipkins, Head of Cultural Services C Williams, General Manager R Topliss, Contracts and Performance Manager
<b>Registered Office</b>	Bradley Football Development Centre Bradley Road Grimsby North East Lincolnshire DN37 0AG The charity is incorporated in England.
<b>Company Registration Number</b>	08293679
<b>Charity Registration Number</b>	1169071
<b>Solicitors</b>	Rickem Limited 64 Dagget Road Cleethorpes DN35 0EN
<b>Bankers</b>	Barclays Bank plc 35 Victoria Street Grimsby N E Lincolnshire DN31 1DE
<b>Auditor</b>	Forrester Boyd 26 South Saint Mary's Gate Grimsby North East Lincolnshire DN31 1LW

# Lincs Inspire Limited

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

### Objectives and activities

#### Purpose of the Charity

Lincs Inspire is committed to helping local people achieve their aspirations, stay active, stay well, and enjoy life to the full.

#### Our Aspirations -

- **Ensure** our local community can access and enjoy first class community sports, leisure and cultural facilities and activities
- **Enable** the inactive to become active, through fitness of mind and body
- **Be** a strong, resilient Charity and well-respected local employer
- **Work** with partners to maximise resources, expertise, and opportunities, ensuring that together we can make a real difference and make every community contact count

#### Our Actions -

- **Provide** our local communities with positive and beneficial sport and leisure activities and services, inspiring all ages and abilities to be active, be healthy, be informed and be safe when taking part.
- **Generate** income from commercial activities that enable us to support community-based sport and leisure services and to continue to ensure they remain affordable and accessible
- **Respond** to key community challenges and proactively develop opportunities that enhance health and wellbeing, no matter the age, background, or ability
- **Deliver** uplifting, inspiring and thought-provoking live entertainment, and cultural experiences, providing social benefit and supporting wider economic impacts

#### Our Values -

- Our **Core Social Value** is based on the achievement of direct well-being impacts
- Our **Added Social Value** is based on our wider ethos of supporting local supply chains, providing local employment, being energy efficient and environmentally responsible

#### What We Do

Lincs Inspire delivers a wide range of services, focusing on:

- Borough-wide sports and leisure facilities, including the operation of leisure centres, swimming pools, a football development centre, athletics stadium, and a diverse programme of community-based activities.
- Dedicated Health and Wellbeing Centre focussed on supporting residents to manage long-term health conditions and disabilities through adapted exercise, physical therapy and low impact sporting activities.
- Showcasing cultural experiences and opportunities for participation, including operating the borough's largest performing arts venue, statutory library service, public archive facility, and a wide range of cultural and creative community activities aimed at supporting wellbeing and social interaction.
- Working with schools and academies to support children to be active and stay safe via a boroughwide road safety/safe cycling training programme.
- Working within Greater Lincolnshire, operating an accessible and popular visitor centre and multi-use conference/community space within the heart of an inspiring nature reserve.
- Proudly managing the National Centre for Craft and Design (Arts Council England - National Portfolio Organisation) on behalf of the local authority and providing an exhibition and event programme celebrating the very best in design and maker expertise.



## **Lincs Inspire Limited**

### **Trustees' Report**

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### ***Fundraising disclosures***

The charity does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

#### **Structure, governance and management**

##### ***Nature of governing document***

Lincs Inspire Limited is a registered Charity (No.1169071) which was incorporated on 14 November 2012. It is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

##### ***Organisational structure***

Day to day management of Lincs Inspire Limited is delegated to the Chief Executive – Ms S. Wells.

Finance and governance during 20-21 was managed by the Finance Director, Mr D Huddleston.

Company Secretary continues to be Mr D. Marshall.

External Auditor is Forrester Boyd.

Banking Services are provided by Barclays Bank Plc.

## **Lincs Inspire Limited**

### **Trustees' Report**

At the Charity's Annual General Meeting in August 2019, it was agreed that Mr Malcolm Towle would remain as Chair of Trustees for a further period of two years, being up to the AGM in 2021. The 2020 AGM acknowledged Malcolm's continued chairmanship of the charity and full engagement in all aspects of the company and its subsidiary.

The company applies a process of application and interview when appointing new trustees. Following which all appointments are subject to final proposal at the appropriate following board meeting, a vote is undertaken, and the appointment duly recorded.

New trustees also undertake a process of induction including familiarisation with the charity's aims and objectives, overview of policies and procedures, understanding of roles and responsibilities and an introduction to key services, facilities, and senior staff.

By virtue of its Articles of Association (its governing document), all members of the charity are also trustees and directors. The board of trustees meet whenever required but no less often than once per quarter to review the charity's operational performance and to strategically plan future developments. In addition, a sub-committee is also in place to consider specific areas of the business when required.

At all board and sub-committee meetings declarations of interest are recorded where relevant and in the event of a conflict, the trustee would be required to leave the meeting and take no part in any related decision-making process.

As a result of the uncertain and difficult times we have all experienced during 2020/21 the board resolved to continue to meet virtually, following Government safety guidance regarding the Covid-19 pandemic. The Articles of Association were amended to reflect the use of virtual meeting platforms, enabling discussion and decision making to continue.

#### **Trading Subsidiary:**

2020/21 was the fourth year of trading for Lincs Inspire Venues & Enterprises Limited, as a not-for-profit private limited company set up as a trading subsidiary, specifically to operate the Grimsby Auditorium and, possible other commercial ventures where trading is not ancillary to a core charitable activity.

Lincs Inspire Venues & Enterprises Limited continues to operate through its own board of directors, including representation from the main board of trustees for Lincs Inspire Limited, and meets no less often than once per quarter to review the strategic operation of the company and its ongoing support to the charity.

#### **Existing Governance:**

There are no trustees holding title to property belonging to the charity.

There are no funds held as custodian trustees on behalf of others.

All key Charity Commission guidance documents are formally reported to the charity trustees who are also encouraged to visit the Charity Commission web site and to raise issues internally within the charity via the Chief Executive or via the Company Secretary.

In relation to the Charity Commission's specific guidance on public benefit, the trustees understand the essential requirement that for a purpose to be charitable it must comply with the following two tests, namely:

- (a) it must be beneficial, and any detriment or harm that results from the purpose must not outweigh the benefit ('the benefit aspect'); and
- (b) it must benefit the public in general, or a sufficient section of the public ('the public aspect').

The trustees also recognise that a charitable purpose may only benefit individuals or other legal entities to an extent that is no more than incidental to the furtherance of the charitable purpose.

The Charity Commission's guidance has been seen by all trustees.

The trustees have created a structure which separates all activities that comply with the above two tests from those that do not. Those that do not, unless the incidental benefit exemption applies, are wholly reserved to the trading subsidiary.

## **Lincs Inspire Limited**

### **Trustees' Report**

The Charity also submitted its annual Confirmation Statement in November 2020, and this was required to include a statement relating to People with Significant Control (Regulations 2016). The purpose of which is to list individuals with "significant control" over companies, including charities and limited liability partnerships, to increase the transparency of corporate structures and to identify those able to exercise, or actually exercising, significant control.

It was concluded that the PSC Register for Lincs Inspire could not identify any individual with significant control. In terms of Lincs Inspire Venues & Enterprises (subsidiary company), it was also confirmed that the entry for the PSC Register recorded the company knows, or has reasonable cause to believe, that there is no registrable person in relation to the company."

#### **Employment of disabled persons**

Lincs Inspire Limited will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

During employment Lincs Inspire Limited seeks to work with employees, taking into account their personal circumstances to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential. The number of registered disabled persons employed by Lincs Inspire Limited during the year was 3 (2020: 3).

#### **Employee involvement**

Lincs Inspire Limited encourages the involvement of its employees through regular management and team meetings and the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 17 November 2021 and signed on its behalf by:

  
M Towle  
Chairman



## **Lincs Inspire Limited**

### **Strategic Report for the Year Ended 31 March 2021**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2021, in compliance with s414C of the Companies Act 2006.

The following trustees report covers the financial year ending 31 March 2021 and is the eighth company report following its commencement on 1 April 2013.

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021, which is also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements 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) (published October 2019).

Lincs Inspire Limited is an independent, not for profit company, set up to deliver a range of community services including sport, leisure, and cultural services, principally provided in and around Lincolnshire.

The following report concentrates on the financial year 2020/21. The company was incorporated on 14 November 2012 and achieved registration as a charity with the Charity Commission on 7 September 2016.

#### **Achievements and performance**

The company's business activities came to a halt towards the end of March 2020, when the UK entered national lockdown because of the Covid-19 Pandemic.

Throughout 2020/21 our services were directly and significantly affected by this devastating virus. Therefore, our normal performance review is not possible. However, we would like to set out a summary of our year, including some very different performance outcomes.

#### **2020/21 Performance at a glance**

- 10,000 active leisure subscription members in April 2020, dropping to 50% by March 2021, with active visits occurring briefly between lockdowns - moving from typically 450,000 visits per annum to 227,000.
- Virtual Lincs - our live streamed/on demand active seniors programme, group exercise classes and craft tutorials attracted over 1100 participants accessing over 8,300 sessions.
- 440 hours of school PE delivered in school and via our Virtual Lincs service.
- Over 700 level 1 and over 200 level 2 'Bikeability' cycling places delivered.
- Over 14,000 adults and 7,400 juniors participated in football training when outdoor training has been permitted. In addition, over 3,400 walking football attendances have taken place too.
- Grimsby Auditorium remained closed for the full year for all live performances.
- 4,500 active Library users borrowed 52,000 books, compared to 246,000 Library visits with over 216,000 books borrowed in the previous year.
- 2,000 people visited the National Centre for Craft and Design, compared to 117,000 the previous year.
- 90,000 people visited Whisby Natural World Centre, compared to 293,000 the previous year.

## **Lincs Inspire Limited**

### **Strategic Report for the Year Ended 31 March 2021**

#### **Performance highlights:**

**Leisure Centres** - when permitted to open between periods of lockdown our facilities followed all government guidance to ensure both staff and customers were safe. This included reduced user numbers, pre-booked and paid for sessions, social distancing throughout, and full compliance with the NHS Test and Trace system.

Rigorous cleaning regimes, spacing of equipment and repurposing of sports halls to provide large open spaces has been the norm. During 2020/21 customers have safely used facilities and commented positively on the measures we have taken.

Two of our smaller sports and leisure venues remained closed due to their size and difficulties in meeting safe distancing for both customers and staff.

By the end of the year memberships across all leisure venues had dropped by c. 50%, despite the opportunity to freeze or defer memberships.

We however wanted to support our customers through this pandemic, enabling them to stay fit and active and feel they were still part of our fitness community. We therefore established live streaming and on demand fitness classes and offered these as a free service. Our own Fitness Supervisors and Sports Coaches produced a range of classes, based on our normal programme, however tailored to work in smaller spaces/a home environment. This equated to 230 live streamed classes between December and March, with attendance at both live and on demand classes exceeding 6,400. These classes have been well received throughout.

**Health and Wellbeing Centre** - as per our leisure centres, this facility has only opened during permitted periods. Between each lockdown customers have continued to benefit from the toning therapy suite and adaptive gym, albeit with reduced numbers at any one time and some equipment such as toning beds being unsuitable for use.

We have however been busy unlocking grant funding to support several key projects aimed at helping our communities to recover and be both physically and mentally well:

- National Lottery Funding at the start of the year enabled the health and wellbeing team to develop online/over the phone low impact exercise classes and craft tutorials, supported by general welfare calls just to keep in touch. Our craft tutorials continue to be available via YouTube.
- A second successful bid to the National Lottery has resulted in a continuation of this theme via the development of a creative hub within the centre. This will offer a range of activities in an informal and cheerful setting, using craft, music, reminiscence workshops and even a few board games. Community sessions will aim to improve mental wellbeing and commence during 2021/22.
- In 2019/20 we successfully secured funding from Sport England and North East Lincolnshire Council to create a new toning and wellbeing space with an extended range of toning equipment to support more people to manage long term health conditions, disability, and recovery from illness. The onset of the pandemic slowed this project down, which would have ideally been completed during 2020/21. However, work is due to commence during 2021 with the new facility operational by the summer.

In addition, working with our partner North East Lincolnshire Council, the Health and Wellbeing Centre's sports hall became a distribution centre for food parcels delivered to our most vulnerable residents during the pandemic.



## **Lincs Inspire Limited**

### **Strategic Report for the Year Ended 31 March 2021**

**Libraries & Public Archives** - Library and Archive staff have continued to work throughout the year, providing customers with access to click and collect (or phone and collect) services to ensure we continue to provide a wide range of reading/research materials.

In addition, we increased our access and content for online newspapers, magazines, and comics, proving to be very popular during the periods of lockdown. We also continued to support care homes wishing to receive book selections for their residents. These were provided in a safe manner that included periods of quarantine before use.

Library staff have also worked with North East Lincolnshire Council during lockdowns, making calls to some of the area's most vulnerable residents and those following the requirements to stay home and shield. They have been providing a friendly voice and helping signpost residents to any support they may need.

To support children prior to being able to return to the classroom, Library staff also delivered a range of story telling sessions, available via You Tube (whilst copyright permissions were available). Sign-posted parents to helpful reading materials (available to collect) and also put together online holiday games packs and a summer reading challenge too.

We have also been busy applying for libraries grant funding, which includes:

- Reading Agency grant funding (from DCMS) secured to increase access to digital titles from the 'reading well' selections.
- Arts Council England grant funding secured to purchase e-books and e-audio materials.
- Reading Agency grant funding to deliver a 'reading friends' scheme - enabling staff to contact vulnerable library customers to read to them, discuss books they may enjoy or just to have a chat.
- British Library - Business and Intellectual Property Centre capital grant funding secured to develop BIPC services within Central Library, with work commencing at the end of 2020/21 in readiness for a roll-out of services during 2021/22.

During lockdown Library staff have also developed a craft and heritage shop within Cleethorpes Library. This provides a great opportunity for local artists and makers to promote and sell their work, alongside the sale of heritage items depicting images from the local history collection (mugs, tea-towels, prints etc.)

**Sports Development** - Traditional sports coaching and learn to ride activities within schools across the area came to a halt during 2020, re-emerging gradually by Spring 2021. During this period, we have been able to teach over 700 pupils at level 1 stage, achieving a 98% pass rate, and a further 200 pupils achieving a 91% pass rate at level 2. In addition, we also delivered 38 places on the reception year 'Bikeability Plus Balance' programme.

Out-reach physical activity within community settings, typically the active seniors programme also came to a halt when all indoor group exercise classes ceased. However, with the help of our National Lottery funding we were able to set up 'Virtual Lincs' our online service launched in the summer and continuing to be available via the 'on-demand' service.

Working with the Health and Wellbeing team, Sports Coaches have been able to provide online classes focusing on wellbeing, including regular Tai Chi and chair-based exercises. A programme of PE, classroom-based exercises and junior Tai Chi was also made available online for schools.

**Bradley Football Development Centre** - when permitted this facility has opened for football training, however competitive games have been very limited, and spectators excluded in accordance with Government guidelines. Tight Covid restrictions have been followed throughout the year with only outside pitch areas being accessible for community use.

At times throughout the year when football training outside has been permitted, we have seen a positive customer response, with teams delivering training sessions in accordance with Government guidelines. This has equated to over 21,000 evening attendances by all ages, plus over 3,400 day-time attendances by walking football groups.

Despite the periods of closure all local leagues have managed to complete their season, requiring lots of planning and flexibility by the teams and the venue.

We have also taken the opportunity to work with North East Lincolnshire Council during this time to develop plans for the replacement of the 3G pitch surface, which is in accordance with the original grant funding conditions and covered by a sinking fund, in place since the venue opened in 2010 and receiving annual deposits.



## Lincs Inspire Limited

### Strategic Report for the Year Ended 31 March 2021

**Grimsby Auditorium** - the impact on theatres and live performances has been well covered in the national media, with venues remaining closed since the end of March 2020. It has therefore been a very tough year for the Auditorium, with shows cancelled or deferred to later dates, some well into 2022 and beyond. This has resulted in a significant amount of work required to refund tickets, rebook shows and prepare for a very different experience, with restrictions likely to continue well into 2021/22.

However, we didn't switch the lights off, instead between lockdowns, where group exercise was allowed, we converted the auditoria space to a giant workout studio, giving participants lots of space. We also worked with the local Music and Performing Arts Service to provide space to record and stream live performances for schools.

A successful grant application to the Arts Council (national culture recovery funding) enabled the venue to retain staffing, and make adjustments to support social distancing, protecting customers, performers and staff. A further successful grant award was obtained from Theatres Trust adding to this work and enabling main access doors to be automated.

As 2020/21 came to an end we started to see customers looking to the future and starting to once again book future shows, especially those they couldn't enjoy in the last year, but are now returning later in 2021.

**Whisby Natural World Centre** - we would normally welcome nearly 300,000 visitors a year, however the restrictions within the hospitality sector have meant that the main venue has been closed for the majority of 2020/21. However, having the option to provide an outdoor kiosk / take-away service has enabled the venue to continue to provide a customer service, supporting the many walkers who when permitted have benefited from the wonderful walks across the nature reserve.

Refreshment sales and car park income has helped to support this venue, alongside additional support from our partner, North Kesteven District Council (NKDC).

During 2020/21 NKDC have also taken the opportunity to secure grant funding that is enabling improvements to the centre's entrance and disabled toilet facilities to be undertaken and be ready to support a return to business during 2021/22.

**The National Centre for Craft and Design** - National lockdowns have coincided with NKDC's significant refurbishment plans, extending the ground floor, and including a new gallery, dance studio and much improved retail and café area, plus an external decked area. With the facility being closed this work has been able to progress, with completion being achieved in time for the reopening of the retail, hospitality, and galleries sectors in May 2021.

As part of the refurbishment, an extensive re-branding exercise has also taken place, returning the venue to its much-loved local name - the Hub - which creates a sense of community alongside continuing to be a centre of excellence for craft and design. The new branding will also better encompass the wide range of community activities and dance programmes that are well supported and very beneficial to health and wellbeing.

Centre staff have worked throughout 2020/21 delivering a range of online craft activities, supporting makers and designers to attend virtual exhibitions and trade shows, and even establishing an online shop. Work has also continued with partners, exploring joint funding bids to enable a range of community online activities to be provided, including a 'front room arts club' and the delivery of recorded dance sessions for schools and vulnerable groups.

At the end of 2020/21, the NCCD was also successful in securing further Arts Council funding (national culture recovery funding) to support plans for reopening and rebuilding audience engagement.

**Marketing** - to bring this all together and continue to promote our services, the marketing team have also been busy designing a new company website, which showcases all our services in a connected and easily identifiable way, promoting the benefits to everyone's health and wellbeing. In addition, highlighting our wider income generating activities, such as training courses, room hire and event planning.

Social media has also been the go-to tool, enabling us to quickly communicate with our customers, informing them of changes to service delivery, Covid safe measures and our new booking and payments systems via an 'app' or our website, which also supports the NHS Test and Trace programme.



## **Lincs Inspire Limited**

### **Strategic Report for the Year Ended 31 March 2021**

**Staffing** - during 2020/21 we have utilised the Government's Coronavirus Job Retention Scheme and furloughed staff who have not been able to work, or who could work partially, with their remaining hours being placed on furlough. This has resulted in a complex payroll system being applied to ensure both salaries and grant funding claims are accurate and reflecting the range of terms and conditions within this very welcome programme of support.

Employee numbers remained relatively stable throughout the year at just over 400 (combined full and part-time). Staff training has continued where online learning is possible or site attendance permitted, i.e., life-guard training. Regular staff communications have been key to supporting staff who are not able to work, and the introduction of Microsoft Teams has also improved communication between staff working remotely/from home.

A small number of staff have worked throughout the year carrying out daily building checks, tests, inspections and enabling routine maintenance works to take place. Our Finance and Human Resources teams have been busy supporting staff, managing furlough payments, supporting applications to grant funding programmes and managing our cash flow to ensure we remain a viable organisation.

#### **Risk Management**

##### **Health and Safety:**

The charity continues to actively promote good health and safety practice. This includes investment in staff training, both formal accredited training (such as IOSH Managing Safely training) through to general health and safety awareness raising.

Health and safety audits have continued throughout 2020/21 with many risk assessments, policies and procedures requiring review and significant amendment to reflect the changing Covid-19 requirements.

All facilities have ensured they fully comply with Government instructions as and when they were regularly updated throughout 2020/21, including social distancing, provision of hand-sanitising stations, increasing cleaning regimes, visitor recording for the NHS Test and Trace system and introducing pre-booking and online payments to avoid queuing.

##### **Strategic Risk:**

The charity's senior management team meets monthly, and have continued to do so throughout 2020/21, albeit utilising virtual technology to ensure safety remains of paramount importance. This provides a forum in which strategic and operational risks may be raised for discussion and or escalation. All senior managers have responsibility for raising risk related concerns either immediately with the chief executive or as part of the monthly cycle of senior management team meetings.

The board of trustees have also continued to meet, amending the Articles of Association to enable virtual meetings to be appropriate. This has included the review of the strategic risk register every six months, being especially relevant during 2020/21 as the register was extended to include the impacts arising from the pandemic.

Managing risk is an ongoing process, and is the responsibility of all staff, volunteers, and trustees.

The overall risk appetite that the board of trustees consider appropriate in relation to business decisions continues to be an 'Open' appetite. This means that the Board is prepared to consider all delivery options and will select those with the highest probability of productive outcomes. However, an exception to this would arise where an activity has health and safety or safeguarding risks, whereby the appetite would reduce to 'Averse'. This has naturally veered towards 'Averse' throughout 2020/21 because of the pandemic.

#### **Financial Review**

It has certainly been a challenging year for everyone and managing our finances and cashflow effectively has been crucial throughout. As noted above, we have explored, and been successful in securing, many grant funding programmes to support our business and enable us to maintain much needed customer contact. We have utilised the Government's job retention funding programme and applied for relevant and eligible Government support grants. We have appreciated the support we have received from our local authority partners too. The cumulative impact of all this has made a significant and positive difference to our cashflow and secures a strong platform to move forward from and be able to rebuild our business.

We have also continued to review our supplier contracts, to negotiate better terms and ensure renewal timescales are sensibly structured.

## **Lincs Inspire Limited**

### **Strategic Report for the Year Ended 31 March 2021**

During 2020/21 we also undertook a review by HMRC of our pay structure, specifically linked to compliance with National Minimum Wage standards. This was successfully completed with no recommendations for improvement required.

As we enter 2021/22 and see a gradual reopening of businesses and relaxation of restrictions, we hope to see a return of customers and a steady increase in our customer-based income. Our financial planning is based on a gradual rebuilding of income, recognising that customer confidence will be key, and we must continue to provide good quality services within safe well managed settings to support the return of customer confidence.

#### **Pricing Policy**

Continued reviews of pricing policies ensure services remain accessible and affordable. Any necessary price increase is fully considered by the board of trustees and suitable notice is provided to customers. The charity's most significant customer income source is via the use of its leisure facilities where many customers take advantage of direct debit monthly payments for memberships.

During the periods of lockdown customers were able to 'freeze' their leisure membership or if they paid in full, their account was extended at the point facilities could be accessed. It is fair to note that many customers opted to cancel their membership which is not surprising. We have continued to offer pay as you go options when facilities were able to reopen.

#### **Principal Funding Sources**

The principal funding sources of the Charity are from admission and usage income of the facilities offered by the Charity, contract income from North East Lincolnshire Council and also from grants that have been obtained to support specific and targeted objectives.

#### **Approach to Investment**

The board of trustees review all key/strategic investment proposals, considering overall cost against lifetime benefit. Investment in equipment is considered through the development of business cases and presentation of options. Procurement is in accordance with the charity's procurement procedures and commitment to achieve best value.

The charity continues to benefit from the use of procurement frameworks and where practical collaborative purchasing, for example, working in partnership with other regional library services for the collective purchasing of library books.

The charity does not hold any external investments or plan to undertake any investments outside the core delivery of its services.

Included within our environmental commitments is an aim, where possible, to utilise local suppliers, to re-use and recycle and to carefully manage energy use.



## **Lincs Inspire Limited**

### **Strategic Report for the Year Ended 31 March 2021**

#### **Financial Reserves**

The board of trustees have considered their approach to holding reserves and to date the level cash within the organisation has not been sufficient to enable the creation of any long-term reserves.

However, as a charity short to medium term reserves are in place, linked to restricted funds and compliance with grant funding conditions. Unrestricted funds are also held to support known future investment requirements, for example the replacement of vehicles or gym equipment.

The charity also holds bond/guarantor arrangements provided by North East Lincolnshire Council in support of public sector pensions risk arising because of transferred services.

An annual review of the board's reserves policy is in place.

The charitable group's year started with unrestricted funds of £1,330,188 deficit (2020: £1,445,385 deficit). Unrestricted incoming resources were £7,046,818 (2020: £9,534,503). Unrestricted resources expended amounted to £6,958,469 (2020: £9,743,306). Actuarial re-measurement loss on the defined benefit scheme was a deficit of £2,618,000 (2020 surplus: £324,000) and a transfer to restricted funds of £15,408 (2020: £Nil) left a deficit of £3,875,247 (2020: £1,330,188). This includes a pension deficit of £5,303,000, which is guaranteed by North East Lincolnshire Council. Excluding this amount, unrestricted reserves stand at £1,427,753.

Restricted reserves stand at £325,052 (£2020: £219,380) of which £50,202 (2020: £45,536) relates to amounts already expended on fixed assets.

Total reserves stand at £3,550,195 deficit. Free reserves, which excludes the pension deficit, restricted funds and amounts which can only be realised by disposing of tangible fixed assets stand at £853,461 surplus.

The trading subsidiary, Lincs Inspire Venue and Enterprises Limited, had net funds at the year end of £36,318, made up of restricted funds of £203,700 surplus and unrestricted funds of £167,382 deficit. This is after incurring an in year profit of £387,527.

The charity itself had a net deficit position of £3,586,514 made up of restricted funds of £117,593 surplus and unrestricted funds of £3,704,107 deficit. This is after incurring an in year deficit of £2,826,915.

#### **Funds in Deficit**

The Charitable group is carrying a deficit of £3,875,247 (2020: £1,330,188) on the unrestricted reserve due to future pension liabilities exceeding the current value of assets held by £5,303,000 (2020: £2,502,000). The increase in pension deficit can be attributed to actuarial assumptions of a 1% increase in pension increase rate (CPI) and a 1% increase in salary increase rate. North East Lincolnshire Council have confirmed to act as guarantor for these future liabilities up to a value of £6.7 million.

## Lincs Inspire Limited

### Strategic Report for the Year Ended 31 March 2021

#### Plans for future periods

##### *Aims and key objectives for future periods*

The company's strategic business plan was reviewed during 2020/21 recognising the need for adjustment to reflect the impact of Covid-19 and to ensure our aspirations remain relevant to our communities.

Our objectives include rebuilding capacity and income in a safe, sustainable format. To do this we aim to reprofile some services and activities to be more self-financing and less reliant on single funding/income sources, in addition, shaping our workforce to support new service delivery models.

Our planned actions for 2021/22 include increasing our online business opportunities, working with our partners to develop new and improved facilities, alongside maximising the use of existing and under-used spaces. We also aim to increase our community wellbeing programmes following on from the investment underway at Grimsby Health and Wellbeing Centre. We are currently piloting a 'Wellness to Work' programme, based on supporting local employers, which we aim to promote and develop further.

Internally we will continue to review and improve our systems and specifically plan to review our Human Resources and Payroll systems, seeking greater efficiency through integration. We also aim to restart our apprenticeship programme, supporting young people across our organisation.

To ensure our internal communications continue to be efficient and accessible we also plan to develop our own intranet, making it easier for staff to find essential and useful information, to keep up to date with developments, and importantly to keep in contact too.

The future development of library services is also of key importance during the next year. We aim to work with NELC to review the service and ensure it can meet the needs of the local community, including providing access to a wide range of business information, supporting digital learning and continuing to grow our online resources, and relaunching our children's activities that encourage reading, literacy and social interaction via reading groups and creative workshops.

We also look forward to working with NKDC to develop the newly extended National Centre for Craft and Design, increasing footfall, and attracting new corporate and commercial use to complement the extensive exhibition and maker programmes.

2020/21 has been a very challenging year for our charity. Our business model is reliant on the levels of income we can generate at our larger leisure venues, enabling surpluses to support our community focused venues that do not generate sufficient income to stand alone.

However, we have worked throughout the year to explore different funding streams and Government grants, plus we adapted some of our delivery models to meet the needs of our community and were determined to continue to provide essential health and wellbeing support.

We are also appreciative of the partner support we have received and a refreshed energy to work together and support wider community key agendas.

We therefore take forward a new more agile approach, blending both in person and virtual access to many of our services, unlocking capital investment, future income streams and rebuilding our business to enable us to remain a strong going concern.

Our future planning rightly balances actions that rebuild our customer base, at the same time looking to the future and new development opportunities.

We have also retained a strong workforce and want to continue to invest in this and restart our training and development opportunities.

We remain committed to ensuring our customers enjoy the best possible experience and that services continue to grow and present great value for money for our community.

## Lincs Inspire Limited

### Strategic Report for the Year Ended 31 March 2021

The strategic report was approved by the trustees of the charity on 17 November 2021 and signed on its behalf by:

  
M Towle  
Chairman



## **Lincs Inspire Limited**

### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of Lincs Inspire Limited for the purposes of company law) are responsible for preparing the trustees' report, strategic report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 17 November 2021 and signed on its behalf by:

  
M Towle  
Chairman

## **Lincs Inspire Limited**

### **Independent Auditor's Report to the Members of Lincs Inspire Limited**

#### **Opinion**

We have audited the financial statements of Lincs Inspire Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity'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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.



## **Lincs Inspire Limited**

### **Independent Auditor's Report to the Members of Lincs Inspire Limited**

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the trustees 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 charity'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 charity 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:

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation.
- Identification of key laws and regulations central to the charities operations and review of compliance with such laws including a review of Charities Commission website.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable parent 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 parent company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Lincs Inspire Limited**

**Independent Auditor's Report to the Members of Lincs Inspire Limited**



Kevin Hopper BFP FCA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate  
Grimsby  
North East Lincolnshire  
DN31 1LW

17 November 2021

# Lincs Inspire Limited

## Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	5,868,897	189,669	6,058,566
Charitable activities	4	773,769	-	773,769
Other trading activities	5	232,803	-	232,803
Investment income	6	791	-	791
Other income	7	170,558	-	170,558
Total income		<u>7,046,818</u>	<u>189,669</u>	<u>7,236,487</u>
<b>Expenditure on:</b>				
Raising funds	8	(461,468)	(19,620)	(481,088)
Charitable activities	9	<u>(6,497,001)</u>	<u>(79,785)</u>	<u>(6,576,786)</u>
Total expenditure		<u>(6,958,469)</u>	<u>(99,405)</u>	<u>(7,057,874)</u>
Net income		88,349	90,264	178,613
Transfers between funds		(15,408)	15,408	-
<b>Other recognised gains and losses</b>				
Actuarial gains/ (losses) on defined benefit pension schemes	26	<u>(2,618,000)</u>	-	<u>(2,618,000)</u>
Net movement in funds		(2,545,059)	105,672	(2,439,387)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>(1,330,188)</u>	<u>219,380</u>	<u>(1,110,808)</u>
Total funds carried forward	28	<u><u>(3,875,247)</u></u>	<u><u>325,052</u></u>	<u><u>(3,550,195)</u></u>

Comparative figures can be seen on the following page.

# Lincs Inspire Limited

## Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 As restated £
<b>Income and Endowments from:</b>				
Donations and legacies	3	3,270,799	26,770	3,297,569
Charitable activities	4	3,802,515	-	3,802,515
Other trading activities	5	1,964,010	41,273	2,005,283
Investment income	6	7,791	-	7,791
Other income	7	489,388	-	489,388
Total income		<u>9,534,503</u>	<u>68,043</u>	<u>9,602,546</u>
<b>Expenditure on:</b>				
Raising funds	8	(1,758,333)	(15,408)	(1,773,741)
Charitable activities	9	<u>(7,984,973)</u>	<u>(63,108)</u>	<u>(8,048,081)</u>
Total expenditure		<u>(9,743,306)</u>	<u>(78,516)</u>	<u>(9,821,822)</u>
Net expenditure		(208,803)	(10,473)	(219,276)
Taxation		-	-	-
<b>Other recognised gains and losses</b>				
Actuarial gains/ (losses) on defined benefit pension schemes		<u>324,000</u>	<u>-</u>	<u>324,000</u>
Net movement in funds		115,197	(10,473)	104,724
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>(1,445,385)</u>	<u>229,853</u>	<u>(1,215,532)</u>
Total funds carried forward	28	<u><u>(1,330,188)</u></u>	<u><u>219,380</u></u>	<u><u>(1,110,808)</u></u>

The notes on pages 24 to 51 form an integral part of these financial statements.



# Lincs Inspire Limited

(Registration number: 08293679)

## Consolidated Balance Sheet as at 31 March 2021

	Note	2021 £	2020 As restated £
<b>Fixed assets</b>			
Intangible assets	16	18,539	-
Tangible assets	17	574,290	826,432
Heritage assets	18	215,877	215,961
		<u>808,706</u>	<u>1,042,393</u>
<b>Current assets</b>			
Stocks	20	78,872	92,577
Debtors	21	434,393	408,327
Cash at bank and in hand	22	1,630,404	924,318
		<u>2,143,669</u>	<u>1,425,222</u>
<b>Creditors: Amounts falling due within one year</b>	23	<u>(1,158,945)</u>	<u>(995,173)</u>
<b>Net current assets</b>		<u>984,724</u>	<u>430,049</u>
<b>Total assets less current liabilities</b>		1,793,430	1,472,442
<b>Creditors: Amounts falling due after more than one year</b>	24	<u>(40,625)</u>	<u>(81,250)</u>
<b>Net assets excluding pension liability</b>		1,752,805	1,391,192
<b>Pension scheme liability</b>	26	<u>(5,303,000)</u>	<u>(2,502,000)</u>
<b>Net liabilities including pension liability</b>		<u><u>(3,550,195)</u></u>	<u><u>(1,110,808)</u></u>
<b>Funds of the group:</b>			
<b>Restricted income funds</b>			
Restricted funds	28	325,052	219,380
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(3,875,247)</u>	<u>(1,330,188)</u>
<b>Total funds</b>	28	<u><u>(3,550,195)</u></u>	<u><u>(1,110,808)</u></u>

The financial statements on pages 19 to 51 were approved by the trustees, and authorised for issue on 17 November 2021 and signed on their behalf by:

  
M Towle  
Chairman

The notes on pages 24 to 51 form an integral part of these financial statements.

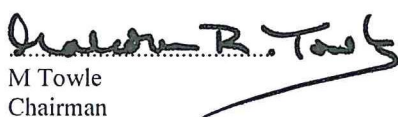
# Lincs Inspire Limited

(Registration number: 08293679)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 As restated £
<b>Fixed assets</b>			
Intangible assets	16	18,539	-
Tangible assets	17	423,500	657,603
Heritage assets	18	215,877	215,961
Investments	19	1	1
		<u>657,917</u>	<u>873,565</u>
<b>Current assets</b>			
Stocks	20	74,868	86,166
Debtors	21	428,953	591,289
Cash at bank and in hand	22	1,624,973	916,256
		<u>2,128,794</u>	<u>1,593,711</u>
<b>Creditors: Amounts falling due within one year</b>	23	<u>(1,029,600)</u>	<u>(643,625)</u>
<b>Net current assets</b>		<u>1,099,194</u>	<u>950,086</u>
<b>Total assets less current liabilities</b>		1,757,111	1,823,651
<b>Creditors: Amounts falling due after more than one year</b>	24	<u>(40,625)</u>	<u>(81,250)</u>
<b>Net assets excluding pension liability</b>		1,716,486	1,742,401
<b>Pension scheme liability</b>	26	<u>(5,303,000)</u>	<u>(2,502,000)</u>
<b>Net liabilities including pension liability</b>		<u><u>(3,586,514)</u></u>	<u><u>(759,599)</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	28	117,593	12,408
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(3,704,107)</u>	<u>(772,007)</u>
<b>Total funds</b>	28	<u><u>(3,586,514)</u></u>	<u><u>(759,599)</u></u>

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £2,826,915 (2020 - £290,404) of which £2,801,000 relates to the increase in pension scheme deficit.

The financial statements on pages 19 to 51 were approved by the trustees, and authorised for issue on 17 November 2021 and signed on their behalf by:

  
M Towle  
Chairman

The notes on pages 24 to 51 form an integral part of these financial statements.

## Lincs Inspire Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 As restated £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(2,439,389)	104,724
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	8	336,602	396,188
Amortisation	8	4,479	-
Investment income	6	(791)	(7,791)
Loss on disposal of tangible fixed assets	11	2,183	20,677
FRS102 actuarial liability adjustment		2,801,000	(38,000)
Income taxes paid		-	(13,231)
		<u>704,084</u>	<u>462,567</u>
<b>Working capital adjustments</b>			
Decrease/(increase) in stocks	20	13,705	(46,739)
(Increase)/decrease in debtors	21	(26,066)	75,239
Increase/(decrease) in creditors	23	56,359	(342,419)
Increase/(decrease) in deferred income	24	<u>107,415</u>	<u>(72,592)</u>
Net cash flows from operating activities		<u>855,497</u>	<u>76,056</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	791	7,791
Purchase of intangible fixed assets	16	(23,018)	-
Purchase of tangible fixed assets	17	(85,933)	(125,515)
Purchase of heritage assets	18	<u>(626)</u>	<u>-</u>
Net cash flows from investing activities		(108,786)	(117,724)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	23	<u>(40,625)</u>	<u>(40,625)</u>
Net increase/(decrease) in cash and cash equivalents		706,086	(82,293)
Cash and cash equivalents at 1 April		<u>924,318</u>	<u>1,006,611</u>
Cash and cash equivalents at 31 March		<u><u>1,630,404</u></u>	<u><u>924,318</u></u>

The notes on pages 24 to 51 form an integral part of these financial statements.

## **Lincs Inspire Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Bradley Football Development Centre

Bradley Road

Grimsby

North East Lincolnshire

DN37 0AG

These financial statements were authorised for issue by the trustees on 17 November 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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) (published October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Lincs Inspire Limited 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 notes.

The financial statements are presented in sterling and rounded to the nearest pound.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.



## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Going concern

Specifically in connection with the current economic climate, the trustees have considered the impact of Covid-19 on the group and they are satisfied that the group has sufficient financial headroom to continue trading for at least the next twelve months. The group has made use of the government incentives including the furlough scheme and the culture recovery fund.

Although the balance sheet is in deficit, this is due to the pension scheme inherited. The total liability is currently underwritten in full by North East Lincolnshire Council. On that basis and with the pension scheme liability removed, the balance sheet would show a net position of £1,752,805.

For these reasons the financial statements have been prepared on a going concern basis.

#### Prior period errors

During a review of the VAT it was found that the creditor from the prior years was not properly reflected in the opening balances and balance sheet. Changes have been made to correct these findings as they are material to the financial statements.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to prior periods before the prior period disclosed in these financial statements £
Other income	-	(32,172)	(213,976)
Total funds brought forward	(246,148)	(213,976)	(213,976)
Creditors due within one year	<u>246,148</u>	<u>246,148</u>	<u>213,976</u>

The figures above for the current period reflect the changes to the opening equity balance sheet position. Positive figures reflect a debit adjustment, negative figures a credit.

#### Income and endowments

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

#### Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent.

## **Lincs Inspire Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, staff numbers.

#### **Governance costs**

These include costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Intangible assets**

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

#### **Tangible fixed assets**

Individual fixed assets costing £1,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Heritage assets**

Heritage assets are recognised at cost or, where donated, at the prevailing market value at the time of donation. Expenditure that, in the Group's view, is required to preserve or prevent further deterioration of the assets is recognised in the Statement of Financial Activities as it is incurred. Heritage assets comprise local history books and documents which are available for reference by the public.

#### **Amortisation**

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Website costs	3 years straight line

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Gym equipment	20%
ICT Equipment	33%



## **Lincs Inspire Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

Plant and equipment	20% - 50%
Local history reference books	13%
Hardback books	14%
Paperback books	25%
Children's books	33%
Recordings, radio and visual	17%

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recognised at transaction price.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Provisions**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## **Lincs Inspire Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Pensions and other post retirement obligations**

Retirement benefits to employees of the charitable company are provided by the East Riding Pension Fund (ERPF). This is a defined benefit scheme. The ERPF is a funded scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs incurred. Net interest on the net defined benefit liability/ asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and the interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses. With effect from 1 April 2015 the scheme was frozen and no longer available to new employees.

From 1 July 2015 employees were able to join the defined contribution scheme with the People's pension. Contributions are expensed as they become payable.

#### **Financial instruments**

##### *Classification*

The charity only has financial assets and financial liabilities that qualify as basic financial instruments.

##### *Recognition and measurement*

Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value.

Fixed asset investments are measured at fair value, with gains and losses being recognised in the Statement of Financial Activities.

##### *Investments*

Investments in subsidiaries measured at cost less impairment.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements 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.

The Charity 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.

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 2016 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.

## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	1,371	-	1,371
Grants, including capital grants;			
Government grants	2,394,700	73,000	2,467,700
Grants from other sources	587,221	116,669	703,890
Contract income	2,885,605	-	2,885,605
	<u>5,868,897</u>	<u>189,669</u>	<u>6,058,566</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Grants, including capital grants;			
Government grants	158,689	-	158,689
Grants from other sources	160,985	26,770	187,755
Contract income	2,951,125	-	2,951,125
	<u>3,270,799</u>	<u>26,770</u>	<u>3,297,569</u>

Included within government grants are amounts amounting to £1,742,794 (2020: £56,676) relating to the Coronavirus Job Retention Scheme, £476,906 (2020: £Nil) relating to local government discretionary grants for Covid-19 closures, £175,000 (2020: £102,013) relating to local authority grants for running of services, £70,000 (2020: £Nil) relating to a grant from the Local Authority for the Health and Wellbeing Centre and £3,000 (2020: £Nil) from Lincolnshire County Council in Community Collaborative Funding.

#### 4 Income from charitable activities

	Unrestricted funds General £	Total 2021 £
Sports, fitness and leisure	737,988	737,988
Arts and attractions	32,181	32,181
Libraries and archives	3,600	3,600
	<u>773,769</u>	<u>773,769</u>
	Unrestricted funds General £	Total 2020 £
Sports, fitness and leisure	3,718,465	3,718,465
Arts and attractions	47,118	47,118
Libraries and archives	36,932	36,932
	<u>3,802,515</u>	<u>3,802,515</u>



# **Lincs Inspire Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **5 Income from other trading activities**

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Retail sales income	17,742	-	17,742
Ticket sales	204	-	204
Food and beverage	207,776	-	207,776
Commissions on sale of merchandise	7,081	-	7,081
	<u>232,803</u>	<u>-</u>	<u>232,803</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Retail sales income	266,976	-	266,976
Ticket sales	1,008,969	41,273	1,050,242
Food and beverage	614,402	-	614,402
Commissions on sale of merchandise	73,663	-	73,663
	<u>1,964,010</u>	<u>41,273</u>	<u>2,005,283</u>

### **6 Investment income**

	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income;		
Interest receivable on bank deposits	791	791
	<u>791</u>	<u>791</u>
	Unrestricted funds General £	Total 2020 £
Interest receivable and similar income;		
Interest receivable on bank deposits	7,791	7,791
	<u>7,791</u>	<u>7,791</u>

### **7 Other income**

	Unrestricted funds General £	Total 2021 £
Hire of facilities	15,658	15,658
Sundry income	154,900	154,900
	<u>170,558</u>	<u>170,558</u>

# Lines Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted funds	Total 2020
	General	As restated
	£	£
Income from trading subsidiary	43,541	43,541
Hire of facilities	92,707	92,707
Sundry income	353,140	353,140
	<u>489,388</u>	<u>489,388</u>

### 8 Expenditure on raising funds

#### a) Costs of trading activities

	Unrestricted funds	Restricted funds	Total
	General		2021
	£	£	£
Costs of goods sold	99,956	-	99,956
Other subsidiary costs	72,579	-	72,579
Depreciation, amortisation and other similar costs	33,789	19,620	53,409
Staff Costs	255,144	-	255,144
	<u>461,468</u>	<u>19,620</u>	<u>481,088</u>

	Unrestricted funds	Restricted funds	Total
	General		2020
	£	£	£
Costs of goods sold	1,214,196	-	1,214,196
Other subsidiary costs	116,411	-	116,411
Depreciation, amortisation and other similar costs	29,680	15,408	45,088
Staff Costs	398,046	-	398,046
	<u>1,758,333</u>	<u>15,408</u>	<u>1,773,741</u>

### 9 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	2021
	£	£	£
Sports, fitness and leisure	3,054,329	778,932	3,833,261
Arts and attractions	1,118,393	204,134	1,322,527
Libraries and archives	1,005,436	415,562	1,420,998
	<u>5,178,158</u>	<u>1,398,628</u>	<u>6,576,786</u>

## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

	Activity undertaken directly £	Activity support costs £	2020 £
Sports, fitness and leisure	3,478,917	1,085,305	4,564,222
Arts and attractions	1,459,811	286,126	1,745,937
Libraries and archives	1,134,693	603,229	1,737,922
	<u>6,073,421</u>	<u>1,974,660</u>	<u>8,048,081</u>

In addition to the expenditure analysed above, there are also governance costs of £27,506 (2020 - £29,555) which relate directly to charitable activities. See note 10 for further details.



## Notes to the Financial Statements for the Year Ended 31 March 2021

### Support costs allocated to charitable activities

Basis of allocation	Reference	Method of allocation	Staff numbers
A			

# **Lincs Inspire Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **Governance costs**

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
Audit fees		
Audit of the financial statements	16,950	16,950
Other fees paid to auditors	9,550	9,550
Legal fees	1,006	1,006
	<u>27,506</u>	<u>27,506</u>
	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>
Audit fees		
Audit of the financial statements	16,950	16,950
Other fees paid to auditors	9,550	9,550
Legal fees	3,055	3,055
	<u>29,555</u>	<u>29,555</u>

### **11 Net incoming/outgoing resources**

Net outgoing resources for the year include:

	<b>2021 £</b>	<b>2020 £</b>
Operating leases - other assets	15,095	15,350
Audit fees	16,950	16,950
Other non-audit services	9,550	9,550
Loss on disposal of tangible fixed assets	2,183	20,677
Depreciation of fixed assets	<u>336,602</u>	<u>396,188</u>

### **12 Trustees remuneration and expenses**

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### **13 Staff costs**

The aggregate payroll costs were as follows:

	<b>2021 £</b>	<b>2020 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	4,693,720	5,243,262
Social security costs	245,656	283,380
Pension costs	438,839	598,255
	<u>5,378,215</u>	<u>6,124,897</u>

## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

The monthly average number of persons (including senior management team) employed by the group during the year expressed as a head count was as follows:

	2021 No	2020 No
Sport, Fitness & Leisure	247	290
Arts and Attractions	57	84
Libraries	54	60
Auditorium	56	66
Central management, maintenance and marketing	24	21
	<u>438</u>	<u>521</u>

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

The total employee benefits, contract and service costs of the key management personnel of the group were £283,685 (2020 - £348,560).

#### 14 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>16,950</u>	<u>16,950</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>9,550</u>	<u>9,550</u>

£4,200 (2020: £4,200) of the above amount was remuneration for the audit of the trading subsidiary

#### 15 Taxation

The parent company is a registered charity and its activities are exempt from taxation. The trading subsidiary is subject to tax, and corporation tax of £nil is payable for the year ended 31 March 2021.



# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 16 Intangible fixed assets

#### Group

	Website development £	Total £
<b>Cost</b>		
Additions	23,018	23,018
At 31 March 2021	23,018	23,018
<b>Amortisation</b>		
Charge for the year	4,479	4,479
At 31 March 2021	4,479	4,479
<b>Net book value</b>		
At 31 March 2021	18,539	18,539

#### Charity

	Website development £	Total £
<b>Cost</b>		
Additions	23,018	23,018
At 31 March 2021	23,018	23,018
<b>Amortisation</b>		
Charge for the year	4,479	4,479
At 31 March 2021	4,479	4,479
<b>Net book value</b>		
At 31 March 2021	18,539	18,539

# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 17 Tangible fixed assets

#### Group

	Motor vehicles £	Plant and machinery £	Library books £	Total £
<b>Cost</b>				
At 1 April 2020	22,693	745,778	1,726,993	2,495,464
Additions	14,850	56,647	14,436	85,933
Disposals	-	-	(11,347)	(11,347)
At 31 March 2021	37,543	802,425	1,730,082	2,570,050
<b>Depreciation</b>				
At 1 April 2020	22,693	464,068	1,182,271	1,669,032
Charge for the year	3,713	131,488	201,401	336,602
Eliminated on disposals	-	-	(9,874)	(9,874)
At 31 March 2021	26,406	595,556	1,373,798	1,995,760
<b>Net book value</b>				
At 31 March 2021	11,137	206,869	356,284	574,290
At 31 March 2020	-	281,710	544,722	826,432

#### Charity

	Motor vehicles £	Plant and machinery £	Library books £	Total £
<b>Cost</b>				
At 1 April 2020	22,693	478,695	1,726,993	2,228,381
Additions	14,850	21,277	14,436	50,563
Disposals	-	-	(11,347)	(11,347)
At 31 March 2021	37,543	499,972	1,730,082	2,267,597
<b>Depreciation</b>				
At 1 April 2020	22,693	365,814	1,182,271	1,570,778
Charge for the year	3,713	78,079	201,401	283,193
Eliminated on disposals	-	-	(9,874)	(9,874)
At 31 March 2021	26,406	443,893	1,373,798	1,844,097
<b>Net book value</b>				
At 31 March 2021	11,137	56,079	356,284	423,500
At 31 March 2020	-	112,881	544,722	657,603

# **Lincs Inspire Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **18 Heritage assets**

#### **Group**

	<b>Books and magazines £</b>	<b>Local historical items £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2020	122,658	93,303	215,961
Additions	-	626	626
Disposals	-	(710)	(710)
At 31 March 2021	<u>122,658</u>	<u>93,219</u>	<u>215,877</u>
<b>Depreciation</b>			
At 1 April 2020	-	-	-
At 31 March 2021	-	-	-
<b>Net book value</b>			
At 31 March 2021	<u>122,658</u>	<u>93,219</u>	<u>215,877</u>

#### **Summary of transactions**

#### **Charity**

	<b>Books and magazines £</b>	<b>Local historical items £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2020	122,658	93,303	215,961
Additions	-	626	626
Disposals	-	(710)	(710)
At 31 March 2021	<u>122,658</u>	<u>93,219</u>	<u>215,877</u>
<b>Depreciation</b>			
At 1 April 2020	-	-	-
At 31 March 2021	-	-	-
<b>Net book value</b>			
At 31 March 2021	<u>122,658</u>	<u>93,219</u>	<u>215,877</u>



## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Summary of transactions

	2021 £	2020 £	2018 £	2017 £
<b>Purchases and additions</b>				
Purchases	<u>626</u>	<u>-</u>	<u>-</u>	<u>2,320</u>
<b>Disposals</b>				
Disposals	<u><u>710</u></u>	<u><u>-</u></u>	<u><u>22,903</u></u>	<u><u>-</u></u>

During the year ended 31 March 2015 the Charitable company received donations of heritage assets from North East Lincolnshire under a service contract amounting to £234,264. These were included as a donation at fair value at 31 March 2015.

#### 19 Fixed asset investments

##### Group

##### Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>				
Lincs Inspire Venues & Enterprises (No. 10409947)	United Kingdom	Ordinary	100%	Provision of venue hire and facilities for performing arts

# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Subsidiaries

The turnover of Lincs Inspire Venues & Enterprises was £903,483 whilst expenditure totalled £515,956. The profit/ loss of Lincs Inspire Venues & Enterprises was therefore £387,527 profit and the aggregate amount of capital and reserves at the end of the period was £36,318.

### Charity

	2021 £	2020 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 April 2020	<u>1</u>	<u>1</u>
At 31 March 2021	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 31 March 2021	<u>1</u>	<u>1</u>
At 31 March 2020	<u>1</u>	<u>1</u>

### 20 Stock

	Group		Charity
	2021 £	2020 £	2021 £
Stocks	<u>78,872</u>	<u>92,577</u>	<u>74,868</u>
			<u>86,166</u>

### 21 Debtors

	Group		Charity
	2021 £	2020 £	2021 £
Trade debtors	119,561	68,997	116,715
Due from group undertakings	-	-	-
Prepayments	73,319	103,655	70,725
Accrued income	<u>241,513</u>	<u>235,675</u>	<u>241,513</u>
	<u>434,393</u>	<u>408,327</u>	<u>428,953</u>
			<u>591,289</u>

### 22 Cash and cash equivalents

	Group		Charity
	2021 £	2020 £	2021 £
Cash at bank	<u>1,630,404</u>	<u>924,318</u>	<u>1,624,973</u>
			<u>916,256</u>

# **Lincs Inspire Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **23 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>As restated</b>		<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	180,263	243,422	123,910	234,227
Other loans	40,625	40,625	40,625	40,625
Due to group undertakings	-	-	281,536	-
Other taxation and social security	263,408	224,272	263,408	224,272
Other creditors	911	1,326	911	1,326
Pension scheme creditor	34,317	48,668	34,317	48,668
Accruals	293,972	198,826	277,754	67,051
Deferred income	345,449	238,034	7,139	27,456
	<u>1,158,945</u>	<u>995,173</u>	<u>1,029,600</u>	<u>643,625</u>

On 31 March 2014 North East Lincolnshire Council loaned £325,000 to Lincs Inspire Limited repayable over a period of 9 years. The loan was made at the market interest of 4% other than in the event of the Bank of England base rate rising to 4.0% or above, at which point interest becomes repayable at 2% above the interest rate. In accordance with the revised agreement there was no principal repayment until financial year 2017/18. The effective interest method has been adopted to recognise and measure the financial liability.

### **Deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Deferred income at 1 April 2020	(238,034)	(310,626)
Resources deferred in the period	345,449	238,034
Amounts released from previous periods	<u>238,034</u>	<u>310,626</u>
Deferred income at year end	<u>345,449</u>	<u>238,034</u>

The amounts shown as deferred income relate to leisure memberships, grant funding retention, ticket sales and culture recovery funding.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Charity</b>		
Deferred income at 1 April 2020	(27,456)	(42,865)
Resources deferred in the period	7,139	27,456
Amounts released from previous periods	<u>27,456</u>	<u>42,865</u>
Deferred income at year end	<u>7,139</u>	<u>27,456</u>

The amounts shown as deferred income relate to leisure memberships and grant funding retention.



# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 24 Creditors: amounts falling due after one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Other loans	<u>40,625</u>	<u>81,250</u>	<u>40,625</u>	<u>81,250</u>

On 31 March 2014 North East Lincolnshire Council loaned £325,000 to Lincs Inspire Limited repayable over a period of 9 years. The loan was made at the market interest of 4% other than in the event of the Bank of England base rate rising to 4.0% or above, at which point interest becomes repayable at 2% above the interest rate. In accordance with the revised agreement there was no principal repayment until financial year 2017/18. The effective interest method has been adopted to recognise and measure the financial liability.

### 25 Obligations under leases and hire purchase contracts

#### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
<b>Other</b>				
Within one year	13,626	15,095	13,129	13,129
Between one and five years	<u>20,446</u>	<u>34,072</u>	<u>18,957</u>	<u>32,086</u>
	<u>34,072</u>	<u>49,167</u>	<u>32,086</u>	<u>45,215</u>

### 26 Pension and other schemes

#### Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £93,277 (2020 - £91,143).

#### Defined benefit pension schemes

This scheme is a defined benefit scheme that is administered locally by East Riding Yorkshire Council, with the assets held in separate trustee-administered funds. The Charitable company and its employees pay contributions into a fund as noted below. The agreed contribution rates for future years are 21.2% for employers and between 5.5% and 9.9% for employees. Contributions are calculated at a level intended to balance the pension liabilities with investment assets.

The last relevant review by the Fund's actuary was at 31 March 2019. The actuary projected the results forward from this valuation to 31 March 2021 using approximate methods, and allowing for changes in financial assumptions.

#### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

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

	2021 £	2020 £
Fair value of scheme assets	10,090,000	8,471,000
Present value of defined benefit obligation	<u>(15,393,000)</u>	<u>(10,973,000)</u>
Defined benefit pension scheme deficit	<u>(5,303,000)</u>	<u>(2,502,000)</u>

## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2021 £
Present value at start of year	10,973,000
Current service cost	355,000
Interest cost	255,000
Actuarial gains and losses	3,913,000
Benefits paid	(172,000)
Contributions by scheme participants	69,000
Present value at end of year	<u>15,393,000</u>

#### *Fair value of scheme assets*

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

	2021 £
Fair value at start of year	8,471,000
Interest income	196,000
Actuarial gains and losses	1,295,000
Employer contributions	231,000
Contributions by scheme participants	69,000
Benefits paid	(172,000)
Fair value at end of year	<u>10,090,000</u>

#### *Analysis of assets*

The major categories of scheme assets are as follows:

	2021 £	2020 £
Cash and cash equivalents	302,700	254,130
Equity instruments	6,760,300	5,590,860
Corporate bonds	1,816,200	1,440,070
Property	1,210,800	1,185,940
	<u>10,090,000</u>	<u>8,471,000</u>

#### *Return on scheme assets*

	2021 £	2020 £
Return on scheme assets	<u>1,491,000</u>	<u>(1,032,000)</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Principal actuarial assumptions*

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021 %	2020 %
Discount rate	2.05	2.30
Future salary increases	3.70	2.70
Future pension increases	<u>2.80</u>	<u>1.80</u>

#### *Post retirement mortality assumptions*

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	21.00	21.00
Current UK pensioners at retirement age - female	24.00	23.00
Future UK pensioners at retirement age - male	22.00	22.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>25.00</u>

#### **27 Contingent assets**

##### **Group**

At the year end there was one ongoing reimbursements for which the charity is expecting to receive payment. The amounts known as at the sign off date have been recognised in accrued income..



# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 28 Funds

#### Group

	Balance at 1 April 2020 as restated £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
<i>General</i>						
General fund	(1,330,188)	7,046,818	(6,958,469)	(15,408)	(2,618,000)	(3,875,247)
<b>Restricted funds</b>						
Restoration levy fund	206,972	-	(18,680)	15,408	-	203,700
Libraries connected	5,000	1,000	(6,000)	-	-	-
Active Lincolnshire - Tackling Inequalities	-	4,000	(4,000)	-	-	-
Heritage lottery, streets and their stories fund	703	14,320	-	-	-	15,023
Arts council reading pictures, seeing stories	695	-	(695)	-	-	-
Radcliffe Trust DN mentoring scheme	3,500	-	(3,500)	-	-	-
The Arts Society Holland & Kesteven	240	-	-	-	-	240
LCC Community Collaboration Fund	2,270	3,000	(1,774)	-	-	3,496
The Football Stadium Fund	-	5,500	(5,500)	-	-	-
The Reading Agency - Reading Friends	-	9,300	(9,300)	-	-	-
The National Lottery Community Grant - 'Virtual Lincs' Project	-	48,800	(48,500)	-	-	300
The National Lottery Community Grant - 'Active Forever' Project	-	29,050	(516)	-	-	28,534
NELC - Toning Suite Project	-	70,000	-	-	-	70,000
Theatres Trust - Theatre Reopening Fund	-	4,699	(940)	-	-	3,759
<b>Total restricted funds</b>	<u>219,380</u>	<u>189,669</u>	<u>(99,405)</u>	<u>15,408</u>	<u>-</u>	<u>325,052</u>
<b>Total funds</b>	<u>(1,110,808)</u>	<u>7,236,487</u>	<u>(7,057,874)</u>	<u>-</u>	<u>(2,618,000)</u>	<u>(3,550,195)</u>

# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 as restated £	Incoming resources as restated £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 as restated £
<b>Unrestricted funds</b>					
<i>General</i>					
General fund	(1,445,385)	9,534,503	(9,743,306)	324,000	(1,330,188)
<b>Restricted funds</b>					
Restoration levy fund	181,107	41,273	(15,408)	-	206,972
Heritage lottery Ruhleben fund	4,293	-	(4,293)	-	-
Libraries connected	-	5,000	-	-	5,000
Heritage lottery, streets and their stories fund	17,900	-	(17,197)	-	703
Arts council reading pictures, seeing stories	695	-	-	-	695
Arts council The Albert room 2018-2020	6,358	11,120	(17,478)	-	-
Postcode lottery sowing the seed of change inspire garden	16,000	-	(16,000)	-	-
Radcliffe Trust DN mentoring scheme	3,500	-	-	-	3,500
The Festival of the Sky	-	4,900	(4,900)	-	-
Canon Peter Hall Primary School, Immingham	-	450	(450)	-	-
The Arts Society Holland & Kesteven	-	300	(60)	-	240
LCC Community Collaboration Fund	-	5,000	(2,730)	-	2,270
<b>Total restricted funds</b>	<u>229,853</u>	<u>68,043</u>	<u>(78,516)</u>	<u>-</u>	<u>219,380</u>
<b>Total funds</b>	<u>(1,215,532)</u>	<u>9,602,546</u>	<u>(9,821,822)</u>	<u>324,000</u>	<u>(1,110,808)</u>

# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Charity

	Balance at 1 April 2020 as restated £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
General fund	(772,007)	6,244,976	(6,559,076)	(2,618,000)	(3,704,107)
<b>Restricted funds</b>					
Libraries connected	5,000	1,000	(6,000)	-	-
Active Lincolnshire - Tackling Inequalities	-	4,000	(4,000)	-	-
Heritage lottery streets and their stories fund	703	14,320	-	-	15,023
Arts council reading pictures, seeing stories	695	-	(695)	-	-
Radcliffe Trust DN mentoring scheme	3,500	-	(3,500)	-	-
The Arts Society Holland & Kesteven	240	-	-	-	240
LCC Community Collaboration Fund	2,270	3,000	(1,774)	-	3,496
The Football Stadium Fund	-	5,500	(5,500)	-	-
The Reading Agency - Reading Friends	-	9,300	(9,300)	-	-
The National Lottery Community Grant - 'Virtual Lincs' Project	-	48,800	(48,500)	-	300
The National Lottery Community Grant - 'Active Forever' Project	-	29,050	(516)	-	28,534
NELC - Toning Suite Project	-	70,000	-	-	70,000
<b>Total restricted funds</b>	<u>12,408</u>	<u>184,970</u>	<u>(79,785)</u>	<u>-</u>	<u>117,593</u>
<b>Total funds</b>	<u>(759,599)</u>	<u>6,429,946</u>	<u>(6,638,861)</u>	<u>(2,618,000)</u>	<u>(3,586,514)</u>



# Lincs Inspire Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 as restated £	Incoming resources as restated £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 as restated £
<b>Unrestricted funds</b>					
<i>General</i>					
General fund	(1,098,749)	8,327,662	(8,324,920)	324,000	(772,007)
<b>Restricted funds</b>					
Heritage lottery Ruhleben fund	4,293	-	(4,293)	-	-
Libraries connected	-	5,000	-	-	5,000
Heritage lottery streets and their stories fund	17,900	-	(17,197)	-	703
Arts council reading pictures, seeing stories	695	-	-	-	695
Arts council The Albert room 2018-2020	6,358	11,120	(17,478)	-	-
Postcode lottery sowing the seeds of change inspire garden	16,000	-	(16,000)	-	-
Radcliffe Trust DN mentoring scheme	3,500	-	-	-	3,500
The Festival of the Sky	-	4,900	(4,900)	-	-
Canon Peter Hall Primary School, Immingham	-	450	(450)	-	-
The Arts Society Holland & Kesteven	-	300	(60)	-	240
LCC Community Collaboration Fund	-	5,000	(2,730)	-	2,270
<b>Total restricted funds</b>	<u>48,746</u>	<u>26,770</u>	<u>(63,108)</u>	<u>-</u>	<u>12,408</u>
<b>Total funds</b>	<u>(1,050,003)</u>	<u>8,354,432</u>	<u>(8,388,028)</u>	<u>324,000</u>	<u>(759,599)</u>

## **Lincs Inspire Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

The specific purposes for which the funds are to be applied are as follows:

The restoration levy fund arises from a £1 charge included in the ticket price on tickets sold for certain performances at the Grimsby Auditorium. The fund is then used to carry out repairs and upkeep as they arise.

Libraries connected funding is to host monthly "open mic" nights in local libraries where local writers and poets perform their work and thus encourage more interest in literature alongside increased use of libraries. The funds were used to start these sessions and achieve sustainability.

The tackling inequalities fund was made up of 3 parts:

1. Seated dance was a series of pre-recorded classes, designed for older adults and those with restricted mobility, who have been isolated and inactive during lockdown due to ill health, age and living situation.
2. Creative dance for adults with disabilities was a series of pre-recorded classes that focused on developing participants to become more confident in dance by experimenting with different ways of making and creating movement.
3. Boys dance was aimed at young males from low socio-economic backgrounds, the day offered a free dance experience.

The main objectives of the heritage lottery "On our street fund" are to work in four local care settings or with community groups to share memories, increase creative skills and learn about local heritage. Part of the funding is being used to work with a creative mixed media artist to lead on the creative side of the project and a member of the library staff will deliver the heritage aspect of the project.

Streets and their Stories uses workshops reminiscence sessions and talks, to build up a picture of what has happened in local streets over the years. The grant also enables digitising some of the photo archive for viewing on line and for sale.

Reading pictures seeing stories is to celebrate Visual Literacy. The funding has been used to run visual literacy workshops for children and young people across the region and it has also been used to develop a touring exhibition.

Radcliffe Trust funding was received to provide mentoring services for a number of artists/ makers to support their carer/ talent development.

The Arts Society Holland & Kesteven was awarded to support 10 young people to achieve their Discover Art Awards with the National Centre for Craft and Design.

The LCC Community Collaboration fund was awarded to assess the value and impact of taking part in creative activities with participants living in Sleaford (and up to 10 miles around) who are feeling lonely or isolated and might be house-bound for different mental or physical health reasons.

The Football Stadium fund was received in two parts. One part (£5k) was to help maintain and prepare the pitches at the Bradley site so they were match-fit when Government advice relaxed restrictions and the second part (£0.5k) was to help modify and prepare the buildings so that they were safe to re-open.

The Reading Friends fund was awarded to support the adapt and further development of the Home Library Services during the COVID-19 pandemic. Therefore, a great opportunity to engage with our existing customer base over the phone whilst restrictions remain in place. In addition, Library staff are currently supporting the local authority with support calls to residents that are shielding/clinically vulnerable. This is a fabulous service, signposting residents if they need a little help.

The Virtual Lincs project fund is to firstly help maintain core staff that are not furloughed and providing great online content and communications. Secondly; help towards providing smaller groups and classes for an initial period to ensure social distancing can continue.

The Active Forever fund was awarded to support the local community and encourage participation in activity sessions. In addition includes outreach work with GP's/medical professionals, community organisations and local residents to support referrals and recommendations.

The Toning Suite project fund is to go towards the renovation, improvement and new equipment for the Health & Wellbeing Toning Suite which will be making assisted exercise even more accessible.

# **Lincs Inspire Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **29 Analysis of net assets between funds**

#### **Group**

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Intangible fixed assets	18,539	-	18,539
Tangible fixed assets	533,244	41,046	574,290
Heritage assets	215,877	-	215,877
Current assets	1,859,663	284,006	2,143,669
Current liabilities	(1,158,945)	-	(1,158,945)
Creditors over 1 year	(40,625)	-	(40,625)
Pension scheme liability	(5,303,000)	-	(5,303,000)
Total net assets	<u>(3,875,247)</u>	<u>325,052</u>	<u>(3,550,195)</u>

	Unrestricted funds General as restated £	Restricted funds £	Total funds at 31 March 2020 As restated £
Tangible fixed assets	780,692	45,740	826,432
Heritage assets	215,961	-	215,961
Current assets	1,251,582	173,640	1,425,222
Current liabilities	(995,173)	-	(995,173)
Creditors over 1 year	(81,250)	-	(81,250)
Pension scheme liability	(2,502,000)	-	(2,502,000)
Total net assets	<u>(1,330,188)</u>	<u>219,380</u>	<u>(1,110,808)</u>

#### **Charity**

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Intangible fixed assets	18,539	-	18,539
Tangible fixed assets	423,500	-	423,500
Heritage assets	215,877	-	215,877
Fixed asset investments	1	-	1
Current assets	1,729,665	117,593	1,847,258
Current liabilities	(748,064)	-	(748,064)
Creditors over 1 year	(40,625)	-	(40,625)
Pension scheme liability	(5,303,000)	-	(5,303,000)
Total net assets	<u>(3,704,107)</u>	<u>117,593</u>	<u>(3,586,514)</u>



## Lincs Inspire Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted funds General as restated £	Restricted funds £	Total funds at 31 March 2020 As restated £
Tangible fixed assets	657,603	-	657,603
Heritage assets	215,961	-	215,961
Fixed asset investments	1	-	1
Current assets	1,581,303	12,408	1,593,711
Current liabilities	(643,625)	-	(643,625)
Creditors over 1 year	(81,250)	-	(81,250)
Pension scheme liability	(2,502,000)	-	(2,502,000)
Total net assets	<u>(772,007)</u>	<u>12,408</u>	<u>(759,599)</u>

### 30 Analysis of net funds

#### Group

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	924,318	706,086	1,630,404
Debt due within one year	(40,625)	-	(40,625)
Debt due after more than one year	(81,250)	40,625	(40,625)
Net debt	<u>802,443</u>	<u>746,711</u>	<u>1,549,154</u>
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	1,006,611	(82,293)	924,318
Debt due within one year	(40,625)	-	(40,625)
Debt due after more than one year	(121,875)	40,625	(81,250)
Net debt	<u>844,111</u>	<u>(41,668)</u>	<u>802,443</u>

### 31 Related party transactions

#### Charity

During the year the charity made the following related party transactions:

#### Lincs Inspire Venues & Enterprises Limited

(100% owned subsidiary of Lincs Inspire Limited)

A recharge made from the subsidiary to the parent for staff costs totalled £95,599 (2020: £36,969) whilst a recharge of insurance costs totalled £13,500 (2020: £nil).

A recharge made from the parent to the subsidiary for staff costs totalled £12,155 (2020: £nil) whilst a recharge of travel costs totalled £2,345 (2020: £nil). There has also been a transfer from the parent to the subsidiary in the form of contract income for the running of the auditorium of £589,500. At the balance sheet date the amount due to Lincs Inspire Venues & Enterprises Limited was £281,536 (2020 - £202,615 due from).

