

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 2022

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

Chairman	M Towle
Trustees	A Bird I Keal M Hodson
Secretary	R Marshall
Senior Management Team	S Wells, CEO D Huddleston, Finance Director C Williams, General Manager R Topliss, Contracts and Performance Manager T Bratton, Head of HR and Compliance
Registered Office	Bradley Football Development Centre Bradley Road Grimsby North East Lincolnshire DN37 0AG The charity is incorporated in England.
Company Registration Number	08293679
Charity Registration Number	1169071
Bankers	Barclays Bank plc 35 Victoria Street Grimsby N E Lincolnshire DN31 1DE
Auditor	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 2022.

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.

Recruitment and appointment of trustees

When recruiting new trustees, the company applies a process of application and interview. 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 performance, governance and to support strategic planning for future developments and the sustainability of the charity. In addition, a sub-committee is also in place to consider specific areas of the business when required, this includes regular reviewing of financial performance.

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 that continued throughout 2021/22, the board resolved to continue to meet virtually, when Government safety guidance regarding the Covid-19 pandemic recommended the avoidance of in-person meetings. The Articles of Association reflect the use of virtual meeting platforms, enabling discussion and decision making to continue. Moving into 2022/23 the board is now meeting in person, however, retains this option, should this be necessary in the future.

2022/23 will see an ongoing drive to increase the number of trustees, focusing on the importance of diversity and bringing new ideas and thinking to the charity, especially considering the growing health and wellbeing agenda, the charity's work with children and its environmental responsibilities.

Organisational structure

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

Finance and governance during 21-22 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

Charity Trustees:

Trustee Name	Office (if any)	Dates acted if not for whole year
Sudip Bhaduri		Resigned September 2021
Alan Leslie Bird		Whole year
Mark Hodson		Appointed June 2021
Sally Jack		Whole year (resigned 13 April 2022)
Irene Keal		Appointed September 2022
Malcolm Reginald Towle	Chair of Trustees from 17 July 2017 to present date	
Terence Peter Walker		Retired October 2021

At the Charity's Annual General Meeting in October 2021, Mr Malcolm Towle was re-elected as Chair of the Board of Trustees. Fellow board members thanked Malcolm for his continued chairmanship of the charity and commitment to the ongoing development of its services and those of the company's subsidiary too.

At the AGM board members also acknowledged and thanked Sudip Bhaduri for his five years as Trustee and the important contribution he made to Lincs Inspire, especially championing health improvement through increased physical and mental wellbeing. Best wishes for a new start and relocation were conveyed to Sudip by board members.

Sadly, the board also said good-bye to Terry Walker, following a health related absence, the board sent their good wishes for a comfortable and enjoyable retirement.

June 2021 saw the welcoming of new trustee, Mark Hodson and more recently Irene Keal as an additional trustee in September 2022. Both new trustees bring a wealth of experience and local knowledge to the table, supported by a passion for cultural and sporting activities.

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 2021, 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."

Trading Subsidiary:

2021/22 was the fifth 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.

A stable board of directors has been retained throughout 2021/22 and at the company's AGM in October 2021, all directors were thanked for their continued support and commitment.

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.

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 12 October 2022 and signed on its behalf by:

.....
M Towle
Chairman

Lincs Inspire Limited

Strategic Report for the Year Ended 31 March 2022

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2022, in compliance with s414C of the Companies Act 2006.

The following trustees report covers the financial year ending 31 March 2022 and is the ninth 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 2022, 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) (effective 1 January 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 2021/22. 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

During 2021/22 our services were once again directly affected by the Covid-19 pandemic, with many services significantly restricted in their ability to be open, capacity and in some cases their overall operation. Leisure Centres didn't see a relaxation of restrictions until July 2021 and for Grimsby Auditorium this was much later. Therefore, the following performance review is based on a gradual return of business over the third and fourth quarters of the year.

2021/22 Performance Impact at a glance

- Leisure subscription members rose from c. 5,000 in April 2021 to c. 9,600 by March 2022, a significant improvement following the downturn of the previous year - with the number of visits totalling 632,956
- From September 2021 swimming lessons returned with over 1,650 children participating and attending 74,500 lessons
- The new Wellness Hub with increased facilities opened in November 2021 and this is seeing an increasing level of engagement with over 17,200 attendances.
- Bradley Football Development Centre was one of first facilities to be able to reopen fully, which commenced April 2021 and resulted in over 109,000 engagements
- Over 1,500 level 1 and over 1,800 level 2 'Bikeability' (learn to ride) cycling places were delivered
- Grimsby Auditorium had a gradual return of shows, initially with restrictions in place, resulting in over 53,000 attendances, including a record-breaking Pantomime attendance.
- Over 70,000 Library visits resulted in over 97,000 books being issued which is gradually improving, however significantly down on pre-Covid figures of 246,000 Library visits and over 216,000 books borrowed.
- 67,000 people visited the National Centre for Craft and Design, compared to 117,000 pre-Covid.
- Over 226,000 people visited Whisby Natural World Centre, compared to 293,000 pre-Covid. This number is a significant increase on 2020/21

Lines Inspire Limited

Strategic Report for the Year Ended 31 March 2022

Performance highlights:

Leisure Centres - after a very challenging start to the year, by quarter three membership numbers started to show a healthy return in the region of 70-80% of pre-pandemic figures. Customers responded well to new and innovative opportunities, including attendance at our first movie night in a swimming pool, which naturally had to be the showing of 'Jaws'. A range of different group exercise classes have also been launched and great to see swim school returning too.

Children's fun sessions, such as aqua discos and roller discos have also returned much to the delight of our young customers. Weekly sessions are regularly sold out well in advance.

However, this year has not been without challenge, arising from a significant turn-over in staffing and in some areas demand outstripping our capacity, namely swim lessons. The need to recruit and train teachers and lifeguards quickly became a top priority. Thankfully having well established internal training facilities has supported this major undertaking.

We have also successfully relaunched our Leisure Services Apprenticeship programme, with three new trainees embarking on their training.

Health and Wellbeing Centre - this has been a significant year for the centre, with earlier awards of external grant funding coming to fruition. A new Wellbeing Hub was launched in November, providing one of the largest toning therapy facilities in the country. As an extension to the existing service, this is now more accessible and with greater capacity, having proved to be a timely addition, and very well received by our community.

Working in partnership with North East Lincolnshire Council and health partners we are currently supporting residents with their recovery from the symptoms of Long-Covid, delivering healthy weight management programmes and continuing to support social prescribing referrals. All of which is helping our community to be stronger and more resilient.

In addition, the centre also launched a Creative Hub, thanks to further grant funding, this is a bright cheerful space with lots of social activities available, and fast becoming a hive of activity for many of our users and their friends, carers, and partners. This facility directly supports improved mental wellbeing and is helping to rebuild confidence and social engagement.

Together these hubs are having a very positive impact, supporting our communities to be stronger and more resilient.

Libraries & Public Archives - Library and Archive services remained accessible during 2021/22, gradually reintroducing face to face services and activities and following national guidelines to ensure customer safety.

Despite restrictions the service successfully partnered with Hull Library Service and the British Library to secure grant funding to develop a BIPC service (business and intellectual property). This was officially launched at the end of March and is now welcoming customers seeking assistance with their business questions.

The service has continued to work with North East Lincolnshire Council and this year began supporting the Local Tax and Benefits service by providing IT support and advice that enables customers to apply on line for support and to securely provide documentary evidence too.

Central Library has also welcomed the East Riding of Yorkshire Credit Union into the ground floor lending library, providing an ideal location to support this valuable service and to hopefully aid increased footfall and exploration of library services as well.

Grant funding was secured to support children's exploration of writing, drawing and illustration, alongside further funding to help improve digital inclusivity with the local community. This includes the delivery awareness and taster sessions in community settings.

As part of the Libraries' development programme work is now underway to provide greater support for users with visual impairment and to also support families with Autistic children.

Lines Inspire Limited

Strategic Report for the Year Ended 31 March 2022

Sports Development - this team typically works within schools and community settings, both of which have been significantly impacted by the pandemic. Thankfully 2021/22 started to see a return to school activities, especially the delivery of 'Bikeability' (safe cycling). Schools have been keen to ensure children have access to their level 1 and 2 training, resulting in a busy period across most primary schools in the area.

In addition, the team have delivered a comprehensive range of school holiday activities, as part of the HAF (Government Holiday Activity Fund) managed by North East Lincolnshire Council. This has covered Summer and Christmas holiday periods, providing sporting and creative activities for children from low-income families (in receipt of free school meals).

Bradley Football Development Centre - this was the very first venue to reopen following restrictions, welcoming back our footballers of all ages, and seeing attendance levels exceed those of 2019/20, which is an excellent result.

Walking Football and targeted health improvement sessions continue to be well supported and helping to keep our community active.

Hospitality services for both corporate and social functions unfortunately were badly affected by restrictions, however this is now gradually returning with a regular flow of party and meeting bookings.

North East Lincolnshire Council has commissioned 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. The surface has exceeded normal life expectancy through a robust maintenance regime, and across Summer 2022 a full new surface has been laid, in readiness for the next football season.

Grimsby Auditorium - theatres and live performance venues were some of the very last to reopen, initially with Government restrictions limiting capacity to 50%, which meant some shows were not viable and therefore cancelled or rescheduled. The refunding of tickets continued, however by July 2021 full capacities were once again possible. The Auditorium has successfully hosted a diverse range of performances throughout the second half of the year, including a number of sell-out shows, which is great to see.

A highlight of the year was being able to present a Christmas Pantomime once again, with the 2021 season producing very positive results and a strong community appetite for music, dance, and sparkle. This was further enhanced by the venue's participation in the HAF programme, enabling 1,600 free places, with transport to be provided to local schools and eligible children. This made for some very busy performances and a lovely Christmas treat.

Whisby Natural World Centre - as part of the hospitality sector, this venue had a very challenging year. Outdoor/take-away services continued throughout, with positive visitor numbers utilising the nature reserve. A gradual return to indoor services in accordance with guidance has seen a very positive customer response. The venue has also hosted several events including an arts and craft exhibition, and a range of celebratory events.

Staff recruitment has been challenging across this sector and thankfully the team at Whisby have pulled together to ensure minimal service disruption.

The National Centre for Craft and Design - underwent a relaunch and rebranding following a significant refurbishment by North Kesteven District Council, reopening in May 2021 with a much-improved facility and new name - The Hub. The ground floor extended café, workshop and retail/gallery spaces have been a big success with customers, providing a much-needed revenue boost via the cafe and new footfall into the centre.

The Hub has also restarted its programme of exhibitions and ended 2021/22 with a town wide week of events, delivered on behalf of North Kesteven District Council and aimed at encouraging a customer return to the town centre. Feedback was very positive and a good example of community, businesses and local authority coming together to celebrate the local area.

Marketing - To support the rebuilding of our business a strong marketing campaign has been essential, highlighting the services and activities once again available and encouraging our communities to be active, healthy, and resilient. Extensive social media, press and radio advertising/awareness during January and February resulted in a very strong uplift in enquiries and website engagement.

Staffing - Employee numbers have remained relatively stable throughout the year at just under 400 (combined full and part-time). Recruitment and training continue to be busy as a result of higher-than-normal staff turn-over arising from the pandemic.

Lincs Inspire Limited

Strategic Report for the Year Ended 31 March 2022

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 2021/22 with a continued focus on ensuring our facilities remain safe and accessible for staff and customers. Covid specific risk assessments are no longer required, however throughout the past year a close review of Covid safe measures has continued.

All facilities continue to maintain provision of hand-sanitising stations, increased cleaning regimes, and where practical pre-booking and online payments to avoid queuing.

Strategic Risk:

The charity's senior management team meets monthly. 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 meet 4-6 times per year, and these meetings are now in person, with the option to join virtually if required. The board continue to review the strategic risk register every six months. 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'.

Financial Review

This has been another challenging year for everyone and managing our finances and cashflow effectively has been crucial throughout. We utilised the Government's job retention funding programme through to the end in September 2021 and applied for relevant and eligible Government support grants. All of which has helped us to develop a strong platform to move forward from and importantly to support us during the rebuilding of business when expenditure inevitably exceeds income.

Our main sources of income; leisure memberships and theatre sales have been badly hit over the last two years, however by quarter three 2021/22 we started to see a gradual return to more normal levels of participation. This continued into quarter four, ending the year at approximately 75-80% of pre-Covid levels.

However, as we enter the next financial year, we do face the additional challenges arising from rising costs, including National Minimum Wage and National Insurance increases. To help mitigate this a full review of all pricing has been undertaken.

Pricing Policy

Price increases were applied during December and January broadly in line with inflationary increases. Price increases are fully considered by the board of trustees and suitable notice is provided to customers. Leisure customers continue to take advantage of direct debit monthly payments for memberships and as part of the review of pricing, a revised membership programme was introduced to better support customers with a long-term health condition, disability or recovering from serious illness.

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 North Kesteven District Council and also from grants that have been obtained to support specific and targeted objectives.

Lincs Inspire Limited

Strategic Report for the Year Ended 31 March 2022

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 2022

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 £3,897,528 deficit (2021: £1,330,188 deficit). Unrestricted incoming resources were £8,342,645 (2021: £7,046,818). Unrestricted resources expended amounted to £8,482,656 (2021: £6,958,469), Actuarial re-measurement loss on the defined benefit scheme was a surplus of £2,032,000 (2021 deficit: £2,618,000) and a transfer to restricted funds of £11,823 (2021: £15,408) left a deficit of £2,017,362 (2021: £3,897,528). This includes a pension deficit of £3,662,000, which is guaranteed by North East Lincolnshire Council. Excluding this amount, unrestricted reserves stand at £1,644,638.

Restricted reserves stand at £510,865 (£2021: £325,052) of which £118,090 (2021: £50,202) relates to amounts already expended on fixed assets.

Total reserves stand at £1,506,497 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 £882,550 surplus.

The trading subsidiary, Lincs Inspire Venue and Enterprises Limited, had net funds at the year end of £137,178, made up of restricted funds of £221,153 surplus and unrestricted funds of £83,975 deficit. This is after incurring an in year profit before tax of £126,516.

The charity itself had a net deficit position of £1,643,675 made up of restricted funds of £286,893 surplus and unrestricted funds of £1,930,568 deficit. This is after incurring an in year surplus of £1,942,839.

Funds in Deficit

The Charitable group is carrying a deficit of £2,017,362 (2021: £3,875,247) on the unrestricted reserve due to future pension liabilities exceeding the current value of assets held by £3,662,000 (2021: £5,303,000). North East Lincolnshire Council have confirmed to act as guarantor for these future liabilities up to a value of £6.7 million.

Plans for future periods

Aims and key objectives for future periods

Our objectives include rebuilding capacity and income in a safe, sustainable format. To do this we have reprofiled some services and activities to be more self-financing and less reliant on single funding/income sources, in addition, we have adjusted our workforce to reflect new operating models. This work will continue in managed and informed way.

We continue to work with our partners to explore investment and modernisation opportunities and where relevant, progress external funding applications to aid capital investment.

A business development programme has been agreed with the board of trustees and work is underway to establish a programme of invest to save/gain projects.

In addition, a project is underway to introduce a new integrated Human Resources and Payroll system, aimed at greater efficiency through automation.

Lincs Inspire Limited

Strategic Report for the Year Ended 31 March 2022

Summary

2021/22 has been another 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 standalone.

With income levels not starting to rebuild until quarter three this has led to a slower than wished for pace of change. However, we have been successful in gaining external funding which is helping to develop new opportunities and raise awareness. We have also seen an increase in partner engagement, especially linked to wider health and wellbeing initiatives, which is very welcome and sets a good platform to move forward into hopefully a stronger and more stable year.

Our future business planning looks to the future and new development opportunities, at the same time protecting the core business to ensure we continue to be able to deliver community services that have a positive impact.

We have a strong workforce and will continue to invest in this and continue 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.

The strategic report was approved by the trustees of the charity on 12 October 2022 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 12 October 2022 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 2022, 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 13), 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. 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

.....
Carrie Jensen ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

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

12 October 2022

Lines Inspire Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	3,319,513	542,881	3,862,394
Charitable activities	4	2,967,503	-	2,967,503
Other trading activities	5	1,848,163	-	1,848,163
Investment income	6	1,709	-	1,709
Other income	7	205,757	39,737	245,494
Total income		<u>8,342,645</u>	<u>582,618</u>	<u>8,925,263</u>
Expenditure on:				
Raising funds	8	(1,537,654)	(56,631)	(1,594,285)
Charitable activities	9	(6,945,002)	(351,997)	(7,296,999)
Total expenditure		<u>(8,482,656)</u>	<u>(408,628)</u>	<u>(8,891,284)</u>
Net (expenditure)/income		(140,011)	173,990	33,979
Transfers between funds		(11,823)	11,823	-
Other recognised gains and losses				
Actuarial gains/ (losses) on defined benefit pension schemes	27	<u>2,032,000</u>	-	<u>2,032,000</u>
Net movement in funds		1,880,166	185,813	2,065,979
Reconciliation of funds				
Total funds brought forward		<u>(3,897,528)</u>	<u>325,052</u>	<u>(3,572,476)</u>
Total funds carried forward	29	<u><u>(2,017,362)</u></u>	<u><u>510,865</u></u>	<u><u>(1,506,497)</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 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £ (As restated)
Income and Endowments from:				
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>
Expenditure on:				
Raising funds	8	(483,749)	(19,620)	(503,369)
Charitable activities	9	(6,497,001)	(79,785)	(6,576,786)
Total expenditure		<u>(6,980,750)</u>	<u>(99,405)</u>	<u>(7,080,155)</u>
Net income		66,068	90,264	156,332
Transfers between funds		(15,408)	15,408	-
Taxation		-	-	-
Other recognised gains and losses				
Actuarial gains/ (losses) on defined benefit pension schemes		(2,618,000)	-	(2,618,000)
Net movement in funds		(2,567,340)	105,672	(2,461,668)
Reconciliation of funds				
Total funds brought forward		<u>(1,330,188)</u>	<u>219,380</u>	<u>(1,110,808)</u>
Total funds carried forward	29	<u><u>(3,897,528)</u></u>	<u><u>325,052</u></u>	<u><u>(3,572,476)</u></u>

The notes on pages 22 to 51 form an integral part of these financial statements.

Lincs Inspire Limited
(Registration number: 08293679)
Consolidated Balance Sheet as at 31 March 2022

		2022	2021
	Note	£	£ (As restated)
Fixed assets			
Intangible assets	16	10,866	18,539
Tangible assets	17	547,428	574,290
Heritage assets	18	214,660	215,877
		<u>772,954</u>	<u>808,706</u>
Current assets			
Stocks	20	78,557	78,872
Debtors	21	255,572	434,393
Cash at bank and in hand	22	2,059,026	1,630,404
		2,393,155	2,143,669
Creditors: Amounts falling due within one year	23	<u>(984,950)</u>	<u>(1,158,945)</u>
Net current assets		<u>1,408,205</u>	<u>984,724</u>
Total assets less current liabilities		2,181,159	1,793,430
Creditors: Amounts falling due after more than one year	24	-	(40,625)
Provisions	26	<u>(25,656)</u>	<u>(22,281)</u>
Net assets excluding pension liability		2,155,503	1,730,524
Pension scheme liability	27	<u>(3,662,000)</u>	<u>(5,303,000)</u>
Net liabilities including pension liability		<u>(1,506,497)</u>	<u>(3,572,476)</u>
Funds of the group:			
Restricted income funds			
Restricted funds	29	510,865	325,052
Unrestricted income funds			
Unrestricted funds		<u>(2,017,362)</u>	<u>(3,897,528)</u>
Total funds	29	<u>(1,506,497)</u>	<u>(3,572,476)</u>

The financial statements on pages 17 to 51 were approved by the trustees, and authorised for issue on 12 October 2022 and signed on their behalf by:

.....
M Towle
Chairman

The notes on pages 22 to 51 form an integral part of these financial statements.

Lincs Inspire Limited
(Registration number: 08293679)
Balance Sheet as at 31 March 2022

		2022	2021
	Note	£	£
Fixed assets			
Intangible assets	16	10,866	18,539
Tangible assets	17	384,906	423,500
Heritage assets	18	214,660	215,877
Investments	19	1	1
		<u>610,433</u>	<u>657,917</u>
Current assets			
Stocks	20	66,240	74,868
Debtors	21	578,479	428,953
Cash at bank and in hand	22	1,377,388	1,624,973
		2,022,107	2,128,794
Creditors: Amounts falling due within one year	23	<u>(614,215)</u>	<u>(1,029,600)</u>
Net current assets		<u>1,407,892</u>	<u>1,099,194</u>
Total assets less current liabilities		2,018,325	1,757,111
Creditors: Amounts falling due after more than one year	24	<u>-</u>	<u>(40,625)</u>
Net assets excluding pension liability		2,018,325	1,716,486
Pension scheme liability	27	<u>(3,662,000)</u>	<u>(5,303,000)</u>
Net liabilities including pension liability		<u>(1,643,675)</u>	<u>(3,586,514)</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	29	286,893	117,593
Unrestricted income funds			
Unrestricted funds		<u>(1,930,568)</u>	<u>(3,704,107)</u>
Total funds	29	<u>(1,643,675)</u>	<u>(3,586,514)</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 surplus after tax for the financial year of £1,942,839 (2021 - £2,826,915 deficit) of which £2,032,000 relates to the decrease in pension scheme deficit.

The financial statements on pages 17 to 51 were approved by the trustees, and authorised for issue on 12 October 2022 and signed on their behalf by:

.....
M Towle
Chairman

The notes on pages 22 to 51 form an integral part of these financial statements.

Lincs Inspire Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

		2022	2021
	Note	£	£ (As restated)
Cash flows from operating activities			
Net cash income/(expenditure)		2,065,979	(2,461,670)
Adjustments to cash flows from non-cash items			
Depreciation	8	288,578	336,602
Amortisation	8	7,673	4,479
Investment income	6	(1,709)	(791)
Loss on disposal of tangible fixed assets	11	6,043	2,183
Heritage asset impairment		898	-
FRS102 actuarial liability adjustment		<u>(1,641,000)</u>	<u>2,801,000</u>
		726,462	681,803
Working capital adjustments			
Decrease in stocks	20	317	13,705
Decrease/(increase) in debtors	21	178,821	(26,066)
(Decrease)/increase in creditors	23	(99,082)	56,359
Increase in provisions	26	3,375	22,281
(Decrease)/increase in deferred income	24	<u>(74,915)</u>	<u>107,415</u>
Net cash flows from operating activities		<u>734,978</u>	<u>855,497</u>
Cash flows from investing activities			
Interest receivable and similar income	6	1,709	791
Purchase of intangible fixed assets	16	-	(23,018)
Purchase of tangible fixed assets	17	(265,523)	(85,933)
Purchase of heritage assets	18	<u>(1,917)</u>	<u>(626)</u>
Net cash flows from investing activities		(265,731)	(108,786)
Cash flows from financing activities			
Repayment of loans and borrowings	23	<u>(40,625)</u>	<u>(40,625)</u>
Net increase in cash and cash equivalents		428,622	706,086
Cash and cash equivalents at 1 April		<u>1,630,404</u>	<u>924,318</u>
Cash and cash equivalents at 31 March		<u><u>2,059,026</u></u>	<u><u>1,630,404</u></u>

The notes on pages 22 to 51 form an integral part of these financial statements.

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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 12 October 2022.

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 2022.

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 2022

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 £2,155,503.

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

Prior period errors

During the audit it was determined that a deferred tax provision was not introduced in the subsidiary 2020/21 accounts therefore overstating both the profit and loss account and balance sheet.

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.

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.

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

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:

Asset class	Amortisation method and rate
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:

Asset class	Depreciation method and rate
Gym equipment	20%
ICT Equipment	33%
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%

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

Lines Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2022. 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 2022

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	2,183	-	2,183
Grants, including capital grants;			
Government grants	363,747	462,444	826,191
Grants from other sources	196,333	80,437	276,770
Contract income	2,757,250	-	2,757,250
	<u>3,319,513</u>	<u>542,881</u>	<u>3,862,394</u>
	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>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Included within government grants are amounts amounting to £157,046 (2021: £1,742,794) relating to the Coronavirus Job Retention Scheme, £206,700 (2021: £476,906) relating to local government discretionary grants for Covid-19 closures, £Nil (2021: £175,000) relating to Covid support from North East Lincolnshire Council, £156,254 (2021: £Nil) relating to local authority grants for running school holiday activities, £111,250 (2021: £Nil) relating to local authority grants for Clinically Extremely Vulnerable funding, £97,000 (2021: £70,000) relating to a grant from the local authority for the Wellness Hub, £53,850 (2021: £Nil) relating to NKDC Riverlight Festival, £22,507 (2021: £Nil) relating to local authority grants for Tier 2 weight management programme, £21,584 (2021: £Nil) relating to NEL Reshape Grant and £Nil (2021: £3,000) from Lincolnshire County Council in Community Collaborative Funding.

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Sports, fitness and leisure	2,818,612	2,818,612
Arts and attractions	129,250	129,250
Libraries and archives	19,641	19,641
	<u>2,967,503</u>	<u>2,967,503</u>
	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>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Income from other trading activities

	Unrestricted funds General £	Total 2022 £
Events income;		
Other events income	1,466	1,466
Retail sales income	133,162	133,162
Ticket sales	909,184	909,184
Food and beverage	773,873	773,873
Commissions on sale of merchandise	30,478	30,478
	<u>1,848,163</u>	<u>1,848,163</u>
	Unrestricted funds General £	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>232,803</u>

6 Investment income

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	1,709	1,709
	<u>1,709</u>	<u>1,709</u>
	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income;		
Interest receivable on bank deposits	791	791
	<u>791</u>	<u>791</u>

Lines Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Other income

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Income from trading subsidiary	31,922	39,737	71,659
Hire of facilities	40,410	-	40,410
Sundry income	133,425	-	133,425
	<u>205,757</u>	<u>39,737</u>	<u>245,494</u>
		Unrestricted funds General £	Total 2021 As restated £
Hire of facilities		15,658	15,658
Sundry income		154,900	154,900
		<u>170,558</u>	<u>170,558</u>

8 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Costs of goods sold	1,077,332	-	1,077,332
Other subsidiary costs	105,102	36,860	141,962
Depreciation, amortisation and other similar costs	32,911	19,771	52,682
Staff Costs	322,309	-	322,309
	<u>1,537,654</u>	<u>56,631</u>	<u>1,594,285</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Costs of goods sold	101,240	-	101,240
Other subsidiary costs	93,576	-	93,576
Depreciation, amortisation and other similar costs	33,789	19,620	53,409
Staff Costs	255,144	-	255,144
	<u>483,749</u>	<u>19,620</u>	<u>503,369</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2022 £
Sports, fitness and leisure	3,304,927	826,685	4,131,612
Arts and attractions	1,481,108	255,324	1,736,432
Libraries and archives	996,676	432,279	1,428,955
	<u>5,782,711</u>	<u>1,514,288</u>	<u>7,296,999</u>
	Activity undertaken directly £	Activity support costs £	2021 £ (As restated)
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>

In addition to the expenditure analysed above, there are also governance costs of £51,197 (2021 - £27,506) which relate directly to charitable activities. See note 10 for further details.

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Analysis of governance and support costs

Support costs allocated to charitable activities

		Governance costs	Finance costs	Information technology	Staff costs	Administration costs	Premises costs including depreciation	Other support costs	Total 2022
	Basis of allocation	£	£	£	£	£	£	£	£
Sports, fitness and leisure	A	31,886	11,110	8,750	549,277	5,864	36,142	183,656	826,685
Arts and attractions	A	9,848	3,431	2,703	169,646	1,811	11,163	56,722	255,324
Libraries and archives	A	9,463	3,297	2,597	163,015	1,740	197,661	54,506	432,279
		<u>51,197</u>	<u>17,838</u>	<u>14,050</u>	<u>881,938</u>	<u>9,415</u>	<u>244,966</u>	<u>294,884</u>	<u>1,514,288</u>
		Governance costs	Finance costs	Information technology	Staff costs	Administration costs	Premises costs including depreciation	Other support costs	Total 2021
	Basis of allocation	£	£	£	£	£	£	£	£
Sports, fitness and leisure	A	17,896	9,485	7,024	469,118	5,390	58,710	211,309	778,932
Arts and attractions	A	4,690	2,486	1,841	122,941	1,412	15,386	55,378	204,134
Libraries and archives	A	4,920	2,608	1,931	128,980	1,482	217,543	58,098	415,562
		<u>27,506</u>	<u>14,579</u>	<u>10,796</u>	<u>721,039</u>	<u>8,284</u>	<u>291,639</u>	<u>324,785</u>	<u>1,398,628</u>

Basis of allocation

Reference	Method of allocation
A	Staff numbers

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Governance costs

	Unrestricted funds General £	Total 2022 £
Audit fees		
Audit of the financial statements	17,750	17,750
Other fees paid to auditors	28,315	28,315
Legal fees	5,132	5,132
	<u>51,197</u>	<u>51,197</u>
	Unrestricted funds General £	Total 2021 £
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>

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2022 £	2021 £
Operating leases - other assets	13,626	15,095
Audit fees	22,619	16,950
Other non-audit services	25,081	9,550
Loss on disposal of tangible fixed assets	6,043	2,183
Depreciation of fixed assets	<u>296,251</u>	<u>336,602</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:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	4,746,549	4,693,720
Social security costs	287,776	245,656
Pension costs	570,114	438,839
	<u>5,604,439</u>	<u>5,378,215</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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:

	2022 No	2021 No
Sport, Fitness & Leisure	285	247
Arts and Attractions	73	57
Libraries	48	54
Auditorium	57	56
Central management, maintenance and marketing	25	24
	<u>488</u>	<u>438</u>

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

	2022 No	2021 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 £323,892 (2021 - £283,685).

14 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>17,750</u>	<u>16,950</u>
Other fees to auditors		
All other non-audit services	<u>28,315</u>	<u>9,550</u>

£4,400 (2021: £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 2022.

Lines Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Intangible fixed assets

Group

	Website development £	Total £
Cost		
At 1 April 2021	23,018	23,018
At 31 March 2022	23,018	23,018
Amortisation		
At 1 April 2021	4,479	4,479
Charge for the year	7,673	7,673
At 31 March 2022	12,152	12,152
Net book value		
At 31 March 2022	10,866	10,866
At 31 March 2021	18,539	18,539

Charity

	Website development £	Total £
Cost		
At 1 April 2021	23,018	23,018
At 31 March 2022	23,018	23,018
Amortisation		
At 1 April 2021	4,479	4,479
Charge for the year	7,673	7,673
At 31 March 2022	12,152	12,152
Net book value		
At 31 March 2022	10,866	10,866
At 31 March 2021	18,539	18,539

Lines Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Tangible fixed assets

Group

	Motor vehicles £	Plant and machinery £	Library books £	Total £
Cost				
At 1 April 2021	37,543	802,425	1,730,082	2,570,050
Additions	-	213,859	51,664	265,523
Disposals	-	-	(62,038)	(62,038)
At 31 March 2022	<u>37,543</u>	<u>1,016,284</u>	<u>1,719,708</u>	<u>2,773,535</u>
Depreciation				
At 1 April 2021	26,406	595,556	1,373,798	1,995,760
Charge for the year	3,713	97,930	186,935	288,578
Eliminated on disposals	-	-	(58,231)	(58,231)
At 31 March 2022	<u>30,119</u>	<u>693,486</u>	<u>1,502,502</u>	<u>2,226,107</u>
Net book value				
At 31 March 2022	<u>7,424</u>	<u>322,798</u>	<u>217,206</u>	<u>547,428</u>
At 31 March 2021	<u>11,137</u>	<u>206,869</u>	<u>356,284</u>	<u>574,290</u>

Charity

	Motor vehicles £	Plant and machinery £	Library books £	Total £
Cost				
At 1 April 2021	37,543	499,972	1,730,082	2,267,597
Additions	-	149,445	51,664	201,109
Disposals	-	-	(62,038)	(62,038)
At 31 March 2022	<u>37,543</u>	<u>649,417</u>	<u>1,719,708</u>	<u>2,406,668</u>
Depreciation				
At 1 April 2021	26,406	443,893	1,373,798	1,844,097
Charge for the year	3,713	45,248	186,935	235,896
Eliminated on disposals	-	-	(58,231)	(58,231)
At 31 March 2022	<u>30,119</u>	<u>489,141</u>	<u>1,502,502</u>	<u>2,021,762</u>
Net book value				
At 31 March 2022	<u>7,424</u>	<u>160,276</u>	<u>217,206</u>	<u>384,906</u>
At 31 March 2021	<u>11,137</u>	<u>56,079</u>	<u>356,284</u>	<u>423,500</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

18 Heritage assets

Group

	Books and magazines £	Local historical items £	Total £
Cost			
At 1 April 2021	93,219	122,658	215,877
Impairment	(898)	-	(898)
Additions	-	1,917	1,917
Disposals	-	(2,236)	(2,236)
At 31 March 2022	<u>92,321</u>	<u>122,339</u>	<u>214,660</u>
Depreciation			
At 1 April 2021	-	-	-
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2022	<u><u>92,321</u></u>	<u><u>122,339</u></u>	<u><u>214,660</u></u>

Charity

	Books and magazines £	Local historical items £	Total £
Cost			
At 1 April 2021	93,219	122,658	215,877
Impairment	(898)	-	(898)
Additions	-	1,917	1,917
Disposals	-	(2,236)	(2,236)
At 31 March 2022	<u>92,321</u>	<u>122,339</u>	<u>214,660</u>
Depreciation			
At 1 April 2021	-	-	-
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2022	<u><u>92,321</u></u>	<u><u>122,339</u></u>	<u><u>214,660</u></u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Summary of transactions

	2022 £	2021 £	2018 £
Purchases and additions			
Purchases	<u>1,917</u>	<u>626</u>	<u>-</u>
Disposals			
Disposals	<u>2,236</u>	<u>710</u>	<u>22,903</u>

During the year ended 31 March 2015 the Charitable company received donations of heritage assets from North East Lincolnshire Council 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
Subsidiary undertakings				
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 2022

Subsidiaries

The turnover of Lincs Inspire Venues & Enterprises Limited was £1,446,068 whilst expenditure totalled £1,369,854. The profit/ loss of Lincs Inspire Venues & Enterprises Limited was therefore £126,515 profit and the aggregate amount of capital and reserves at the end of the period was £162,834.

Charity

	2022 £	2021 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2021	<u>1</u>	<u>1</u>
At 31 March 2022	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2022	<u>1</u>	<u>1</u>
At 31 March 2021	<u>1</u>	<u>1</u>

20 Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Stocks	<u>78,557</u>	<u>78,872</u>	<u>66,240</u>	<u>74,868</u>

21 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	137,520	119,561	129,668	116,715
Due from group undertakings	-	-	332,349	-
Prepayments	74,772	73,319	73,401	70,725
Accrued income	42,108	241,513	42,108	241,513
Other debtors	<u>1,172</u>	<u>-</u>	<u>953</u>	<u>-</u>
	<u>255,572</u>	<u>434,393</u>	<u>578,479</u>	<u>428,953</u>

22 Cash and cash equivalents

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash at bank	<u>2,059,026</u>	<u>1,630,404</u>	<u>1,377,388</u>	<u>1,624,973</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

23 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	232,818	180,263	198,225	123,910
Other loans	40,625	40,625	40,625	40,625
Due to group undertakings	-	-	-	281,536
Other taxation and social security	136,791	263,408	136,791	263,408
Other creditors	1,631	911	1,631	911
Pension scheme creditor	35,906	34,317	35,906	34,317
Accruals	266,645	293,972	183,537	277,754
Deferred income	270,534	345,449	17,500	7,139
	<u>984,950</u>	<u>1,158,945</u>	<u>614,215</u>	<u>1,029,600</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

	2022	2021
	£	£
Group		
Deferred income at 1 April 2021	(345,449)	(238,034)
Resources deferred in the period	270,534	345,449
Amounts released from previous periods	<u>345,449</u>	<u>238,034</u>
Deferred income at year end	<u>270,534</u>	<u>345,449</u>
	2022	2021
	£	£
Charity		
Deferred income at 1 April 2021	(7,139)	(27,456)
Resources deferred in the period	17,500	7,139
Amounts released from previous periods	<u>7,139</u>	<u>27,456</u>
Deferred income at year end	<u>17,500</u>	<u>7,139</u>

24 Creditors: amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other loans	<u>-</u>	<u>40,625</u>	<u>-</u>	<u>40,625</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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	
	2022 £	2021 £	2022 £	2021 £
Other				
Within one year	11,471	13,626	11,471	13,129
Between one and five years	10,962	20,446	10,962	18,957
	<u>22,433</u>	<u>34,072</u>	<u>22,433</u>	<u>32,086</u>

26 Provisions

Group

Deferred tax relates to differences between accumulated depreciation and capital allowances.

27 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 £180,077 (2021 - £93,277).

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:

	2022 £	2021 £
Fair value of scheme assets	11,151,000	10,090,000
Present value of defined benefit obligation	<u>(14,813,000)</u>	<u>(15,393,000)</u>
Defined benefit pension scheme deficit	<u>(3,662,000)</u>	<u>(5,303,000)</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022
	£
Present value at start of year	15,393,000
Current service cost	504,000
Interest cost	320,000
Actuarial gains and losses	(1,324,000)
Benefits paid	(147,000)
Contributions by scheme participants	67,000
Present value at end of year	<u>14,813,000</u>

Fair value of scheme assets

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

	2022
	£
Fair value at start of year	10,090,000
Interest income	208,000
Actuarial gains and losses	708,000
Employer contributions	225,000
Contributions by scheme participants	67,000
Benefits paid	(147,000)
Fair value at end of year	<u>11,151,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2022	2021
	£	£
Cash and cash equivalents	111,510	302,700
Equity instruments	8,140,230	6,760,300
Corporate bonds	1,895,670	1,816,200
Property	1,003,590	1,210,800
	<u>11,151,000</u>	<u>10,090,000</u>

Return on scheme assets

	2022	2021
	£	£
Return on scheme assets	<u>916,000</u>	<u>1,491,000</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 2022

Principal actuarial assumptions

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

	2022 %	2021 %
Discount rate	2.75	2.05
Future salary increases	4.05	3.70
Future pension increases	<u>3.15</u>	<u>2.80</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Post retirement mortality assumptions

	2022 Years	2021 Years
Current UK pensioners at retirement age - male	21.00	21.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	22.00	22.00
Future UK pensioners at retirement age - female	<u>25.00</u>	<u>26.00</u>

28 Contingent liabilities

Group

Pension Payments - A review is ongoing in respect of the historic treatment of pension payments under the People's Pension regulations. The remedial work undertaken so far has established that a net liability will exist though this cannot be reliably estimated at this stage.

VAT – A review has been undertaken in respect of the treatment of VAT on ticket sales at the Auditorium, particularly in respect of whether the VAT should be paid to HMRC by Lincs Inspire or by the Promoters of the shows held at the Auditorium. The outcome of this may result in a liability, but this cannot be reliably estimated at this stage.

Charity

Pension Payments - A review is ongoing in respect of the historic treatment of pension payments under the People's Pension regulations. The remedial work undertaken so far has established that a net liability will exist though this cannot be reliably estimated at this stage.

29 Funds

Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds						
<i>General</i>						
General fund	(3,897,528)	8,342,645	(8,482,656)	(11,823)	2,032,000	(2,017,362)
Restricted funds						
Restoration Levy Fund	203,700	39,737	(34,107)	11,823	-	221,153
Libraries Connected	-	7,500	(4,857)	-	-	2,643
Active Lincolnshire - Tackling Inequalities	-	6,245	(6,245)	-	-	-
Heritage Lottery Fund, On Our Street Project/Streets & Their Stories	15,023	-	(4,230)	-	-	10,793
Arts Council England, reading pictures, seeing stories	-	2,300	-	-	-	2,300
The Arts Society Holland & Kesteven	240	-	(240)	-	-	-
LCC Community Collaboration Fund	3,496	-	(3,496)	-	-	-

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
The Reading Agency - Reading Friends	-	295	(295)	-	-	-
The National Lottery Community Grant - 'Virtual Lincs' Project	300	-	(300)	-	-	-
The National Lottery Community Grant - 'Active Forever' Project	28,534	52,650	(5,651)	-	-	75,533
Lincs Inspire Wellness Hub Capital investment by Sport England and NELC	70,000	97,000	(117,102)	-	-	49,898
Theatres Trust - Theatre Reopening Fund	3,759	-	(940)	-	-	2,819
NKDC Riverlight Festival	-	53,850	(52,048)	-	-	1,802
NELC Tier 2 Weight Management Programme	-	22,506	(9,876)	-	-	12,630
Junction Arts - Our Place	-	3,750	(3,750)	-	-	-
Clinically Extremely Vulnerable	-	111,250	-	-	-	111,250
Digital Society	-	4,967	(4,087)	-	-	880
Active Lincolnshire - Wonder Walks	-	2,730	(2,730)	-	-	-
NELC - Holiday Active Fund	-	156,254	(137,090)	-	-	19,164
NEL - Reshape Grant	-	21,584	(21,584)	-	-	-
Total restricted funds	<u>325,052</u>	<u>582,618</u>	<u>(408,628)</u>	<u>11,823</u>	<u>-</u>	<u>510,865</u>
Total funds	<u>(3,572,476)</u>	<u>8,925,263</u>	<u>(8,891,284)</u>	<u>-</u>	<u>2,032,000</u>	<u>(1,506,497)</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources as restated £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
General fund	(1,330,188)	7,046,818	(6,980,750)	(15,408)	(2,618,000)	(3,897,528)
Restricted funds						
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 Fund, On Our Street Project/Streets & Their Stories	703	14,320	-	-	-	15,023
Arts Council England, 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 Foundation 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
Lincs Inspire Wellness Hub Capital investment by Sport England and NELC	-	70,000	-	-	-	70,000
Theatres Trust - Theatre Reopening Fund	-	4,699	(940)	-	-	3,759
Total restricted funds	<u>219,380</u>	<u>189,669</u>	<u>(99,405)</u>	<u>15,408</u>	<u>-</u>	<u>325,052</u>
Total funds	<u>(1,110,808)</u>	<u>7,236,487</u>	<u>(7,080,155)</u>	<u>-</u>	<u>(2,618,000)</u>	<u>(3,572,476)</u>

Lines Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General fund	(3,704,107)	7,118,842	(7,377,303)	2,032,000	(1,930,568)
Restricted funds					
Libraries Connected	-	7,500	(4,857)	-	2,643
Active Lincolnshire - Tackling Inequalities	-	6,245	(6,245)	-	-
Heritage Lottery Fund streets and their stories fund	15,023	-	(4,230)	-	10,793
Arts Council England, reading pictures, seeing stories	-	2,300	-	-	2,300
The Arts Society Holland & Kesteven	240	-	(240)	-	-
LCC Community Collaboration Fund	3,496	-	(3,496)	-	-
The Reading Agency - Reading Friends	-	295	(295)	-	-
The National Lottery Community Grant - 'Virtual Lines' Project	300	-	(300)	-	-
The National Lottery Community Grant - 'Active Forever' Project	28,534	52,650	(5,651)	-	75,533
Lines Inspire Wellness Hub Capital investment by Sport England and NELC	70,000	97,000	(117,102)	-	49,898
NKDC Riverlight Festival	-	53,850	(52,048)	-	1,802
NELC - Tier 2 Weight Management Programme	-	22,506	(9,876)	-	12,630
Junction Arts - Our Place	-	3,750	(3,750)	-	-
Clinically Extremely Vulnerable	-	111,250	-	-	111,250
Digital Society	-	4,967	(4,087)	-	880
Active Lincolnshire - Wonder Walks	-	2,730	(2,730)	-	-
NELC - Holiday Active Fund	-	156,254	(137,090)	-	19,164
Total restricted funds	<u>117,593</u>	<u>521,297</u>	<u>(351,997)</u>	<u>-</u>	<u>286,893</u>
Total funds	<u>(3,586,514)</u>	<u>7,640,139</u>	<u>(7,729,300)</u>	<u>2,032,000</u>	<u>(1,643,675)</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General fund	(772,007)	6,244,976	(6,559,076)	(2,618,000)	(3,704,107)
Restricted funds					
Libraries Connected	5,000	1,000	(6,000)	-	-
Active Lincolnshire - Tackling Inequalities	-	4,000	(4,000)	-	-
Heritage Lottery Fund streets and their stories fund	703	14,320	-	-	15,023
Arts Council England, 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 Foundation 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
Lincs Inspire Wellness Hub Capital investment by Sport England and NELC	-	70,000	-	-	70,000
Total restricted funds	<u>12,408</u>	<u>184,970</u>	<u>(79,785)</u>	<u>-</u>	<u>117,593</u>
Total funds	<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 2022

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

Restoration Levy – funds arising from a £1 ticket charge applied at Grimsby Auditorium with funds reinvested to improve customer comfort and enjoyment.

Libraries Connected – programme of complimentary events in statutory libraries.

Tackling Inequalities Fund – community dance programme for all ages and abilities.

Heritage Lottery Funding – (On Our Street Project/Streets & Their Stories) community based local history/reminiscence workshops and creative activities.

Reading Pictures Seeing Stories – Library project supporting visual literacy.

Radcliffe Trust – artist mentoring support.

Arts Society Holland & Kesteven – funding to enable 10 children to undertake Discover Arts Awards.

LCC Community Collaboration Fund – funding to support value and impact assessment of creative arts participation.

Football Foundation Fund – supporting safe reopening following Covid restrictions.

Reading Friends Fund – funding to support connectivity with house bound library users during Covid restrictions.

National Lottery Community Fund – ‘Virtual Lincs’ programme provided online access to light exercise and crafts during Covid restrictions.

National Lottery Community Fund – ‘Active Forever’ supported capital and revenue investment to develop a Creative Hub to support community engagement post Covid 19.

Lincs Inspire Wellness Hub – includes capital grant funding contributions from Sport England and North East Lincolnshire Council, enabling the development of a new assisted exercise facility.

Theatres Trust - Theatre Reopening Fund - a contribution to automatic door entry at the Grimsby Auditorium.

The NKDC RiverLight Festival - was an event in March 2022 organised by the Hub in partnership with North Kesteven District Council using Government Welcome Back Funding and commissioned via Lincs Inspire.

Tier 2 Weight Management Programme - Public Health Funded programmes through NELC to support staff training and resource material.

Junction Arts Our Place - to support the show-casing of creativity during the COVID lockdown periods.

Clinically Extremely Vulnerable Fund - to support those with specific medical conditions who would be particularly vulnerable if they contracted COVID-19.

Digital Society Steering Group - A fund to buy equipment to assist with the Library Digital Outreach project; improving ICT Skills within the local community.

Active Lincolnshire Wonder Walks - Funding to arrange & support 2 walks within our community.

Holiday Activity Fund - Funding for activities and meals during the school holidays for low income families within North East Lincolnshire.

NEL Reshape Grant - Capital support from Government fund administered by NELC to assist with business restarts following COVID lockdown periods.

Lines Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

30 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Intangible fixed assets	10,866	-	10,866
Tangible fixed assets	429,338	118,090	547,428
Heritage assets	214,660	-	214,660
Current assets	2,000,380	392,775	2,393,155
Current liabilities	(984,950)	-	(984,950)
Provisions	(25,656)	-	(25,656)
Pension scheme liability	(3,662,000)	-	(3,662,000)
Total net assets	<u>(2,017,362)</u>	<u>510,865</u>	<u>(1,506,497)</u>

	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>

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Intangible fixed assets	10,866	-	10,866
Tangible fixed assets	323,352	61,554	384,906
Heritage assets	214,660	-	214,660
Fixed asset investments	1	-	1
Current assets	1,796,768	225,339	2,022,107
Current liabilities	(614,215)	-	(614,215)
Pension scheme liability	(3,662,000)	-	(3,662,000)
Total net assets	<u>(1,930,568)</u>	<u>286,893</u>	<u>(1,643,675)</u>

Lincs Inspire Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Unrestricted funds	Restricted funds	Total funds at 31 March 2021
	General		
	£	£	£
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>

31 Analysis of net funds

Group

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	1,630,404	428,622	2,059,026
Debt due within one year	(40,625)	-	(40,625)
Debt due after more than one year	(40,625)	40,625	-
Net debt	<u>1,549,154</u>	<u>469,247</u>	<u>2,018,401</u>
	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>

32 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)

Recharges made from the subsidiary to the parent totalled £457,745 (2021: £109,099).

Recharges made from the parent to the subsidiary totalled £112,590 (2021: £14,500). 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 £100,000.. At the balance sheet date the amount due from Lincs Inspire Venues & Enterprises Limited was £332,349 (2021 - £281,536 due to).