

Company Registration No. 06859894 (England and Wales)

Charity No. 1159832

Active Lancashire Limited

(A Charitable Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the year ended 31 March 2022

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

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Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

COMPANY INFORMATION

Directors and trustees	Mrs L Lloyd	- Chair (resigned 30 September 2021)
	Mr M B Cookson	- Appointed as Chair (30 September 2021)
	Mr C G Bean	- Resigned 24 November 2021
	Mrs J Bell	- Resigned 14 January 2022
	Mr S L Burnett	- Resigned 1 November 2021
	Ms Z Coupland	- Resigned 15 April 2021
	Mr R Davies	
	County Councillor P Buckley	- Appointed 21 January 2022
	County Councillor R Bailey	- Appointed 21 January 2022
	County Councillor M Green	- Appointed 21 January 2022
	Mrs R E Lowry	- Resigned 14 January 2022
	Mrs A J Parker	
	Mr R Richardson	
	Mrs A Smith	- Resigned 14 January 2022
	Mr C G Standish	- Resigned 1 November 2021
	Mr D Clarke	- Appointed 24 November 2021
	Ms Z Chikh	- Appointed 24 November 2021
	Mrs L Horner	- Appointed 24 November 2021
	Mr K Masser	- Appointed 24 November 2021
	Mrs S Kothari	- Appointed 24 November 2021
Committees		
Human Resources and Remuneration Committee	Mrs J. Bell (Chair)	- Resigned 14 January 2022
	Mr R Richardson (Chair)	- Appointed 14 January 2022
	Mr B Cookson	
	Mrs L. Lloyd	
	Mr C. Standish	
	Mrs L Horner	
	Mrs A Parker	
	County Councillor P Buckley	
Audit and Finance Committee	Mrs R. Lowry (Chair)	- Resigned 14 January 2022
	Mr D Clarke (Chair)	- Appointed 14 January 2022
	Mr G. Bean	
	Mr K Masser	
	County Councillor M Green	
	Ms Z Chikh	
Key management personnel: Senior leadership team	Mr A Leather	- Chief Executive
	Mr S Oliver	- Director of Finance
	Mrs S Walton	- Director of Business
	Mr M Stevenson	- Operations Manager
	Mrs B Kay	- Operations Manager
	MR P Blythin	- Operations Manager
	Mr D Wright	- Operations Manager
	Mrs J Moodie	- Operations Manager
	Ms C Ross	- Director of Operations

Active Lancashire Limited
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COMPANY INFORMATION

Registered office	3 & 4 Farrington House Lancashire Enterprise Business Park Leyland Lancashire PR26 6TW	
Company secretary	Bridgehouse Secretarial Limited	Company - Appointed 6 December 2021
Company number	06859894	
Registered charity number	1159832	
Auditor	MHA Moore and Smalley Chartered Accountants and Statutory Auditor Richard House Winckley Square Preston PR1 3HP	

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Active Lancashire Ltd is a charitable company limited by guarantee. The trustees, who are also the directors of the company, are pleased to present their annual report together with the financial statements of the charitable company for the year ended 31 March 2022. This report serves the purpose of both a directors' report under company law and trustees' report under charity law.

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 published in October 2019.

Structure, governance and management

The charitable company is limited by guarantee, registered in England and does not have a share capital. It became a registered charity on 7 January 2015. It is governed under its Articles of Association which sets out its objectives.

Lancashire County Council, as the sole guarantor of the charitable company, is entitled to appoint up to a maximum of 25% of the total number of trustees. The charitable company has formally adopted a target that the representation of directors will be diverse and will, where possible have a minimum of 30% of each gender serving as trustees. The Board of Trustees meets to take decisions relating to every-day matters. Each trustee has one vote and decisions are made by numbers of votes at meetings of the trustees as necessary. The Financial Controls Manual authorises the Chief Executive and other employees to take decisions within approved limits.

In appointing new trustees and replacing trustees who have completed their term of office, the Board, supported by the Chief Executive, considers its skills and any gaps. The appointment of a new trustee is then ratified by Lancashire County Council. New trustees receive an induction pack and training in the role and responsibilities of a trustee.

The trustees have considered the major strategic, business and operational risks which the charitable company faces and systems have been established to support regular reporting of the steps taken to manage and mitigate these risks.

Pay policy for senior staff

The trustees consider that they, with the senior management team, direct, control, and operate the organisation on a day-to-day basis. All trustees give of their time freely and none received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of the senior staff is based on National Joint Council pay scales with the Chief Executive on an individual pay scale benchmarked against other voluntary sector executive salary levels. The senior staff are reviewed annually through an appraisal process and incremental increases on the relevant pay scale awarded based on satisfactory performance. The Chief Executive receives an annual appraisal by the Chair of the Board who reports accordingly to the HR & Remuneration Committee of the Board and can recommend an incremental rise on the Chief Executive's pay scale.

DIRECTORS' AND TRUSTEES' REPORT (continued)

Objects and activities of the charitable company

Active Lancashire is the leading sport and physical activity charity, which supports the Lancashire sub region. Our aim is to increase and sustain participation in, and widen access to, sport and physical activity across the county with particular focus on reducing inequalities and improving opportunities. As the Active Partnership for Lancashire, we are an integral part of the Government's drive to increase levels of movement and engagement in physical activity and sport across England in line with Sport England's "Uniting the Movement" strategy: we are the key bridge between local and regional networks.

Our vision for 2021-31 #ADecadeOfMovement is to create and embed a culture of health and wellbeing for everyone, through enabling individuals, empowering communities, and encouraging a whole-system approach. Our mission is to work in partnership to tackle inequalities and help people enjoy active lives.

We are committed to increasing participation in Lancashire's communities where typically only half of adults are active, particularly in disadvantaged areas.

To deliver our strategy we will continue to engage with and develop the quality of provision within the county's clubs, coaches and volunteer infrastructure, alongside Charitable and Public service organisations, which provide the core of the grassroots participation and sporting offer in our communities. The majority of this provision takes place within the voluntary sector, alongside schools, further and higher education institutions and local authorities. Lancashire has a long and successful grassroots offer but needs longer term investment and development, and Active Lancashire is well placed to support this.

Our team

As a team, we have a set of values, which we work to and promote through our activities and our behaviour, our culture and our use of resources:

- Working Together
- Everyone Counts
- Forward Thinking
- Influencing Change
- People First
- Passion

Our staff are appraised annually about their commitment to live our organisational values and deliver the strategy of Active Lancashire.

Impact of COVID

During the 2020/21 pandemic, Active Lancashire pivoted our business model, team leadership focus and partner operational model to supporting resilience amongst young people and disadvantaged communities. The focus and models of operation established in the previous year, has been extended and refined in 2021/22. Team members have been supported and have engaged well with home working (enabled by effective use of Windows 365), with staff making an effective transition to remote or home working which has latterly evolved to hybrid working. As an organisation, we supported our staff well during the period, maintaining positive working practices and supporting staff wellbeing as evidenced by our staff team survey and feedback.

Over the past 12 months, we have worked well with both funders and delivery partners to modify our contracts, models of delivery and profiles to maintain momentum and improve focus, using largely digital delivery of our products and services as the core offer during peak pandemic restrictions. During the period, we have met our intended project outputs and performance effectively and increased our levels of engagement, innovation and customer satisfaction. This is a reflection of the outstanding energy and commitment of the staff, which the trustees recognise.

DIRECTORS' AND TRUSTEES' REPORT (continued)

As the organisation has grown over the past 12 months, pressure on the staff team, particularly on the leadership team has grown with the induction of new staff, new challenges and the increase in customer demand as a result of the pandemic and new models of working practice. This created additional workloads and required the team to be highly flexible in delivering more activity across a wider range of partners. The whole team has performed exceptionally in meeting these challenges. I would like to record my formal thanks to the Executive team for their incredible energy and support which has kept the energy level of the team high and maintained momentum through some difficult and challenging times.

Partnership activity

We are committed to providing strong and consistent leadership to our place based and thematic partnership networks, enabling them to develop the quality and sustainability of their provision at a cluster and neighbourhood level. We are committed to enabling our partners to deliver high quality local provision and to securing the opportunities and resources that enable them to contribute effectively to supporting our strategy. We continue to develop and innovate in the scope and scale of our partnership activity and to maintain a focus on sport and physical activity, tackling inequalities and improving outcomes, particularly for disadvantaged groups, which reflects our strategic and charitable aims.

Our current portfolio of work includes:

Business Health Matters

We have been working with business partners and networks including the Lancashire Enterprise Partnership (LEP) and Chambers of Commerce to identify opportunities for our sport and leisure networks to improve levels of health and wellbeing in the working age population with the aim of improving business productivity. This development work has been in part supported by a grant from UK Research and Investment (UKRI) as part of the National Industrial Strategy Trailblazer programme (healthy Ageing Challenge). Through this initial investment we have been able to develop a business model and proposals for further investment from both European Structural and Investment Funds (ESIF) and UKRI which should see the development of a three-year "test and learn" project, supporting 11,000 people to access opportunities to improve their health as employees and improve productivity for their businesses. This work will be key to the recovery of businesses from the pandemic and is a key contributor to the Levelling Up Government priorities: Mission seven: to reduce healthy life expectancy inequalities by 2030.

Services to clubs, coaches and volunteers

Research evidence indicates that a quality experience of sport, combined with positive and motivational support helps people get into active lifestyles, sport and helps maintain their participation. Active Lancashire focuses on supporting our workforce, including coaches and volunteers, and organisations such as sports clubs and community centres to provide a quality offer, which is inclusive and reflects the needs of our communities.

During the pandemic and as we emerged from restrictions we continued to provide on-line training and limited face to face development where possible, including training in coaching, safeguarding young people and adults, first aid, club development funding and how to support individuals with additional needs including mental health challenges. Specific support for coach development across all sports can be found at coachinglancashire.org.uk and coaches at all levels can register for up-to-date information and training dates.

School Games

During the pandemic the traditional School Games were cancelled and a series of on-line opportunities introduced. A series of on-line School Games challenges and festivals took place and this on-line work was recognised nationally by an award from the Youth Sport Trust. We continue to be supported by our long-term sponsor (since 2006) and supporter James Hall (SPAR Ltd) which enables the project to reach more young people from disadvantaged backgrounds.

DIRECTORS' AND TRUSTEES' REPORT (continued)

More Positive Together and MPT Steps

More Positive Together (MPT) started in April 2017 and is an employability and skills project funded by ESIF through which we work in partnership with organisations including local authorities, housing associations, the Prince's Trust, Groundwork, and with the continued support of Sport England and the Police Commissioner. This project aims to encourage people in disadvantaged areas and communities to engage in sporting and practical activities to reach their potential and make a positive contribution to their local communities and economy. We have recently secured a third phase of funding extending the project to December 2023 and enabling us to provide a modified project offer (MPT steps) to young people experiencing worklessness with less complex need.

Cycle Recycle

As part of the More Positive Together project and with funding from Lancashire County Council this cycling engagement programme trains cycle repair workshop leaders and others to maintain donated cycles. Its activities include cycle recycling work-shops, learn to ride sessions, road confidence sessions and guided rides.

Challenge through Sport Initiative

Our Challenge through Sport Initiative is a substance misuse recovery project for adults funded by Lancashire County Council and Pendle and Rossendale Borough Councils as well as the Community Rehabilitation Company. It enables us provide advice and guidance through support workers with lived experience, using sport and physical activity to enhance the recovery of adults with drug and alcohol problems. It has developed from its pilot and is now evolving to work with participants on Employment and Support Allowance to enhance their employability. This initiative is now also supported by a community hub and charity shop in Accrington, which provides meeting and training space as well as income.

Satellite Clubs

Satellite clubs are extensions of community sports clubs specifically targeted at 11 to 25 year olds (mainly focussed on 14 to 19 year olds). They make it easy for young people to start playing sport for the first time or to stay in sport. They provide a stepping-stone for young people to access local community clubs, helping to make participating in sport a lifelong habit.

We will be working with national governing bodies of sport, schools, colleges and local sports clubs to establish new satellite clubs in Lancashire with a focus on under-represented groups including young people from Black, Asian and Minority Ethnic groups, young women with emotional wellbeing challenges and young people in care.

Primary School Sport Premium

We have been commissioned by Sport England to help strengthen the links between primary schools and organisations working in sport both locally and nationally, including the Youth Sport Trust and the Association for Physical Education. Key to this task is working with those primary schools that want or need help to make the most effective use of the additional funding and available support. This work has developed positively over the past 12 months and we have received additional investment to extend our offer to primary schools and school games organisers through additional survey work and funding to open up school facilities and sports provision.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our objectives and activities and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the charitable company's aims and objectives.

Active Lancashire Limited (A Charitable Company Limited by Guarantee)

DIRECTORS' AND TRUSTEES' REPORT (continued)

Achievements during the year

During the past year we have a number of significant achievements:

- Active Lancashire has led the first year of implementation of our new Strategy #ADecadeOfMovement, the response from partners has been positive and we are optimistic that we can develop stronger and more meaningful partnerships that will drive the delivery forward over the coming 10 years.
- During that past 12 months we have recruited a new Chair (Brian Cookson) and in total 6 new Trustees to our Board. Our recruitment processes were strong; we secured a representative and talented field of candidates and were able to appoint an effective and high performing range of new Board members.
- We have continued to develop the Workplace health initiative "Business Health Matters" which has been well received by the Business Community, but is struggling to secure sales. The project was invited to present at a European level conference in the Netherlands in March 2022 where we represented the expertise of our key funder; UKRI.

Financial review

The statement of financial activities for the year is set out on page 15. The charitable company's net expenditure before transfers and other recognised gains and losses was £195,568 (2021: £74,061). There are total reserves as at 31 March 2022 of £1,121,139 (2021: £981,707), of which £475,225 are unrestricted reserves, and £645,914 are restricted reserves.

The funding from Sport England to support the core infrastructure is reduced to £306,424 and is used to support Sport England's Primary Purpose requirements of working toward an active nation.

The development of projects under the More Positive Together programme that use sport and physical activity to support the public health and social well-being agenda has been further enhanced with the award of £7 million of ESIF funding. This will continue to help individuals achieve their potential and benefit their communities through sport and physical activity. In addition, a further £5 million of ESIF funding and £1.2 million of Industrial Strategy Challenge funding (ISCF) has been awarded to support the development and delivery of a workplace health and wellbeing programme of projects, again with a strong partner network across Lancashire.

Reserves policy

The trustees review the charitable company's requirements for reserves annually in the light of its main risks. The current policy is to hold sufficient unrestricted reserves to cover its statutory obligations in the event that it is wound up, being three months' staff costs, redundancy and the obligations associated with its office lease. The amount required as at 31 March 2022 was estimated to be £330,000 and this was met.

Plans for future periods

Through our #ADecadeOfMovement Strategy and implementation plan we will continue to deliver and develop our collaborative work and partnership offer, working with Sport England, Local Authorities and Voluntary Sector organisations to utilise sport and physical activity to increase participation levels, reduce inactivity and support the health and wellbeing, social cohesion, and community development agenda.

We will continue to deliver the successful award of the last phase of ESIF funding until Dec 2023 (More Positive Together, MPT Steps, Business Health Matters). We are working with Local Authority colleagues to further develop these programmes into UK Shared Prosperity Fund applications, which will be available from Oct 2022 until March 2025. This opportunity will reshape the existing ESIF projects and enable future local flexibility where they are funded by the Local Authorities.

DIRECTORS' AND TRUSTEES' REPORT (continued)

The organisation also intends to further develop its partnerships, research and evaluation of digital technology and its use and effectiveness in increasing activity in physical activity.

The organisation is working closely with the NHS networks and continuing to help develop strategies that include sport and physical activity that support the health and wellbeing agendas, significant developments which we galvanise over the coming period include our Health check enabled staff who form part of the NHS Commissioned Health and Wellbeing Champions (HAWCs). We aim to further develop our health and wellbeing offer working with the Integrated Care Board and NHS Provider (Hospital) Trusts to provide prevention and demand management activity through our physical activity and health improvement network. We are optimistic that the traction and experience gained from our CSI and BHM will enable us to develop and secure collaborate opportunities for our delivery networks which will allow us to improve health and deliver the aims of our Strategy.

Risk management

The organisation maintains a risk register that is reported to and discussed by trustees at each quarterly Board meeting and reviewed at regular Audit & Finance Committee meetings. This register reports on the predicted impact of the risk and actions required to mitigate the risks.

The key risk faced by the organisation will crystallise over the coming 12 months as the future UKSPF funding is confirmed with Local Authorities from the Autumn of 2022. This funding will provide a 12-18 month stepping stone for our post ESIF projects (BHM, MPT and MPT Steps).as ESIF funding ends in December 2023. The funding is likely to see a 50% reduction in the current levels of funding and critically a reduction in the coverage and scale of the overall project footprints so that we will see a mosaic of provision rather than County coverage.

To mitigate this risk, we intend to bring forward a commercialisation plan to increase our focus on private sector and paid for income for our services; particularly BHM. This commercialisation was always planned for under the UKRI proposal, but is being further invested in, accelerated and up scaled to transfer the learning and approach to the wider portfolio of Active Lancashire products and services. Our target date for a fully commercialised offer is December 2023.

Alongside the financial risk is the secondary key risk of key staff retention during this transition period. Two members of the Executive Team (Operations Director and Development Director) will leave in 2022/23; with planned interim and transition arrangements being made to bridge the gap until the medium term financial position is clear (Post Dec 2023 / end of ESIF). This period will be a key concern for staff wishing to be retained by the organisation and for the organisation wishing to retain talented and valued staff that will maintain the momentum of the organisation. Our mitigation strategy for staff retention will be considered in the Quarter 3 review of our People Plan with proposals coming to Board in November 2022.

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DIRECTORS' AND TRUSTEES' REPORT (continued)

The key risks are perceived currently to be:

- The level of continuing core and project funding levels from Sport England and how this may develop under the new Department for Digital, Culture, Media and Sport and Sport England strategies. Whilst the organisation is very well positioned to deliver its new strategy, funding from Sport England is falling. Major variances from our core funding are not expected but any significant changes will impact the resource and capacity of the organisation and will be considered by the Audit and Finance Committee.
- Projects supporting the health, social and well-being agenda often involve working with vulnerable adults. The Children Safeguarding Policy has been extended to cover safeguarding of vulnerable adults and has been reviewed by the HR & Remuneration Committee, and a Board safeguarding lead has been appointed to support the executive team and particularly the officers with safeguarding responsibilities.
- The More Positive Together project funded by the European Social Fund is a significant part of the overall activity of the organisation. The end of the current funding agreement is approaching, though further funding has been made available.

Fundraising

We have considered the requirements of the Charities (Protection and Social Investment) Act 2016 regarding disclosures concerning fundraising and fundraising standards and confirm that these do not apply.

Statement of trustees' responsibilities

The trustees (who are also directors of Active Lancashire Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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DIRECTORS' AND TRUSTEES' REPORT (continued)

Auditor

This report has been prepared in accordance with the provisions applicable to companies entitled to adopt the small companies' exemption.

This report was approved by the Board on 20/10/2022 and signed on its behalf.



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Mr M B Cookson - Chair

Active Lancashire Limited
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Active Lancashire Limited ('charitable company') for the year ended 31 March 2022, which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of group's 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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

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. This 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.

We identified the following areas as those most likely to have a material impact on the financial statements: employment law, health and safety legislation, and compliance with the UK Companies Act.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

Use of our report

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

Nicola Mason

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Nicola Mason (Senior Statutory Auditor)
For and on behalf of
MHA Moore and Smalley
Chartered Accountants and Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

Date: 20/10/2022

Active Lancashire Limited
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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	3	-	15,500	15,500	11,229
Other trading activities	4	-	91,594	91,594	-
Charitable activities	5	380,499	4,681,829	5,062,328	3,084,687
Investments	6	22	-	22	42
Total income		380,521	4,788,923	5,169,444	3,095,958
Expenditure on:					
Raising funds	8	-	55,189	55,189	-
Charitable activities	7	818,271	4,491,552	5,309,823	3,170,019
Total expenditure		818,271	4,546,741	5,365,012	3,170,019
Net (expenditure)/ income for the year		(437,750)	242,182	(195,568)	(74,061)
Transfers between funds		123,903	(123,903)	-	-
Net movement in funds before other recognised gains and losses		(313,847)	118,279	(195,568)	(74,061)
Actuarial gain/ (loss) in respect of defined benefit pension scheme	12	666,000	-	666,000	(602,000)
Change in value of reimbursement asset	12	(331,000)	-	(331,000)	781,000
Net movement in funds		21,153	118,279	139,432	104,939
Reconciliation of funds:					
Total funds brought forward		454,072	527,635	981,707	876,768
Total funds carried forward		475,225	645,914	1,121,139	981,707

All of the above results are derived from activities which are continuing.

All gains and losses in the periods are included above.

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 MARCH 2022

		Unrestricted Funds £	Restricted Funds £	Total funds 2022 £	Total funds 2021 £
Tangible fixed assets	13	26,958	2,434	29,392	4,687
Current assets					
Debtors	14	-	2,310,735	2,310,735	981,131
Cash at bank and in hand		600,369	4,790	605,159	708,996
		600,369	2,315,525	2,915,894	1,690,127
Creditors: amounts falling due within one year	15	(152,102)	(1,672,045)	(1,824,147)	(713,107)
Net current assets		448,267	643,480	1,091,747	977,020
Total assets less current liabilities		475,225	645,914	1,121,139	981,707
Net assets excluding pension liability		475,225	645,914	1,121,139	981,707
Defined benefit pension scheme liability	12	(1,761,000)	-	(1,761,000)	(2,092,000)
Reimbursement of pension scheme liability	12	1,761,000	-	1,761,000	2,092,000
Net assets including pension liability		475,225	645,914	1,121,139	981,707
Represented by:					
Total funds	16	475,225	645,914	1,121,139	981,707

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' regime.

These accounts were approved by the Board and authorised for issue on 20/10/2022 and are signed on their behalf by:



Mr M B Cookson - Chair

Company No: 06859894

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022 Total £	2021 Total £
Cash generated by/ (used in) operating activities	(a)	(66,483)	(366,868)
Cash flows from investing activities			
Investment income	6	22	42
Purchase of tangible fixed assets	13	(37,376)	(5,203)
Cash used in investing activities		(37,354)	(5,161)
Increase/ (decrease) in cash and cash equivalents in the year		(103,837)	(372,029)
Cash and cash equivalents at the beginning of the year		708,996	1,081,025
Cash and cash equivalents at the end of the year		605,159	708,996
(a) Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		139,432	104,939
Investment income received	6	(22)	(42)
Depreciation	13	12,671	2,950
Increase/ (decrease) in debtors	14	(1,329,604)	(584,583)
(Increase)/ decrease in creditors	15	1,111,040	109,868
Net cash generated by/ (used in) operating activities		(66,483)	(366,868)

Of the cash and cash equivalents at the end of the year, £600,369 relates to unrestricted funds (2021: £474,300) and £4,790 relates to restricted funds (2021: £234,696).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements have been prepared under the historical cost convention.

Active Lancashire 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 note(s).

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have considered, the impact of the Covid-19 pandemic and make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that there are adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charitable company ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes. Designated funds are set aside by the trustees out of unrestricted general funds for specific purposes or projects.

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

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Detailed analyses of the expenditure, including irrecoverable VAT, are provided in the notes to the accounts.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the period of the lease.

Fixed assets and depreciation

Fixed assets greater than £250 are included at cost. Depreciation is provided on all tangible fixed assets calculated to write off the cost over its expected useful life as follows:

Equipment - 33.3% on cost

Debtors

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

Creditors

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Pension costs

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. Contributions payable by the charitable company during the year are included within wages and salaries. Any additional current service costs and finance costs over the contributions payable are included separately within costs of charitable activities as an exceptional item. Actuarial gains and losses are recognised immediately.

Although this does not meet the presentational requirements of FRS 102, the trustees believe this provides a better understanding of the impact on the result for the year than accounting for pension costs under FRS 102.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

Pension costs (continued)

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Pension scheme deficits are recognised in full on the balance sheet.

Lancashire County Council has provided an indemnity to the trustees of the pension scheme guaranteeing that the scheme will not suffer any loss or damage as a result of the charitable company participation in the scheme. The intention of this guarantee is that, should the charitable company cease in operational existence and the pension deficit crystallise, this liability would be met by Lancashire County Council under the guarantee. A corresponding reimbursement of the pension scheme deficit is included in the charitable company's balance sheet and has been deducted from the pension scheme deficit to show an overall neutral position in order to present a true and fair view. Whilst the charitable company continues as a going concern it will make deficit contributions if these are required and it is able to pay them, but no liability is recognised in the charitable company's balance sheet in respect of such payments.

Changes in the value of the reimbursement asset are included in the Statement of Financial Activities.

Taxation

As a registered charity, the company is exempt from taxation on its income and gains, provided they are used for its charitable purposes.

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 12, will impact the carrying amount of the pension liability.

The trustees do not believe that there are any other estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

2 Company status

The charitable company is a company limited by guarantee and became a registered charity on 7 January 2015. The sole member of the company is Lancashire County Council and in the event of the company being wound up, the liability in respect of the guarantee is limited to £1.

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Sponsorship income	-	15,500	15,500	8,750
Donations	-	-	-	2,479
	-	15,500	15,500	11,229

Prior year

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Sponsorship income	-	11,229	11,229	38,226

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Accrington Hub	-	84,947	84,947	-
Other Project Funding	-	6,647	6,647	-
	-	91,594	91,594	-

5 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Sport England Funding	306,424	896,534	1,202,958	897,364
ESIF Funding	-	2,964,542	2,964,542	1,705,188
ISCF Funding	-	255,374	255,374	-
Other Project Funding	16,096	325,419	341,515	344,104
Local Authority Funding	34,000	239,960	273,960	128,080
Course Fees	23,979	-	23,979	7,884
Hosting, Management & NGB income	-	-	-	260
Coronavirus job retention scheme grant	-	-	-	1,807
	380,499	4,681,829	5,062,328	3,084,687

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

5 Income from charitable activities (continued)

Prior year	Unrestricted funds £	Restricted funds £	2021 Total £
Sport England Funding	319,164	578,200	897,364
ESIF Funding	-	1,705,188	1,705,188
Other Project Funding	5,800	338,304	344,104
Local Authority Funding	34,000	94,080	128,080
Course Fees	7,884	-	7,884
Hosting, Management & NGB income	-	260	260
Coronavirus job retention scheme grant	1,807	-	1,807
	368,655	2,716,032	3,084,687

6 Investment income

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Bank interest	22	-	22	42

The total of £42 in the previous year was all unrestricted income.

7 Analysis of expenditure on charitable activities

	2022 Total £	2021 Total £
Direct costs		
Wages and salaries	1,675,062	1,092,382
Premises and office costs	55,395	47,489
Rent and rates	25,727	29,512
Depreciation	11,651	2,950
Staff training	24,857	24,575
Travel expenses	23,197	10,219
Project delivery costs	2,963,665	1,702,538
Research, marketing & promotion	140,617	33,125
Exceptional pension adjustment (note 13)	335,000	179,000
Governance costs	54,652	48,229
	5,309,823	3,170,019

All of the above expenditure is directly attributable to the promotion of sport.

Expenditure on charitable activities was £5,309,823 (2021: £3,170,019) of which £818,271 was unrestricted (2021: £478,398) and £4,491,552 was restricted (2021: £2,691,621).

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

7 Analysis of expenditure on charitable activities (continued)

Governance costs

	2022 Total £	2021 Total £
Audit and accountancy	7,440	6,180
Legal and professional fees	47,212	42,049
	<u>54,652</u>	<u>48,229</u>

8 Costs of raising funds

	2022 Total £	2021 Total £
Wages and salaries	24,144	-
Premises and office costs	5,551	-
Rent and rates	3,950	-
Depreciation	1,020	-
Staff training	1,807	-
Travel expenses	1,704	-
Project delivery costs	10,393	-
Research, marketing & promotion	6,620	-
	<u>55,189</u>	<u>-</u>

All costs of raising funds were attributable to restricted funds.

9 Net income/ (expenditure) for the year

	2022 £	2021 £
This is stated after charging:		
Auditor's fees (exclusive of VAT)	6,200	5,150
Depreciation of owned fixed assets	12,671	2,950
Operating lease rentals	14,745	14,745
	<u></u>	<u></u>

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2022	2021
	£	£
Salaries	1,397,963	903,615
National Insurance	129,312	84,076
Pensions	171,931	104,691
	<u>1,699,206</u>	<u>1,092,382</u>

The number of employees whose remuneration for the year exceeded £60,000 was:

	2022	2021
	Number	Number
£60,000 to £69,999	-	-
£70,000 to £79,999	1	1
	<u>1</u>	<u>1</u>

Of the employees whose remuneration exceeded £60,000, there is one employee (2021: one) accruing benefits under defined benefit pension schemes.

The trustees were not paid and did not receive any other benefits from employment with the charitable company in the year (2021: £nil). No trustees were reimbursed out of pocket expenses during the year (2021: £nil). No trustee received payment for professional or other services supplied to the charitable company (2021: £nil).

The key management personnel comprise the trustees, the Chief Executive, the Director of Business, the Operations Managers, the Director of Operations and the Director of Finance. The total employee benefits of the key management personnel, including National Insurance and pension contributions, were £539,842 (2021: £480,021).

10 Staff numbers

	2022	2021
	No	No
The average number of employees during the year was as follows:	57	39
	<u>57</u>	<u>39</u>
The average number of full time equivalent employees during the year was as follows:	48	31
	<u>48</u>	<u>31</u>

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

11 Related party transactions

During the year, the charitable company received funding of £35,000 (2021: £64,999) from Lancashire County Council, and paid £3,905 (2021: £10,819) to Lancashire County Council for the use of conference facilities and other services.

Directors C G Standish and S Burnett hold management positions at Regenda Homes and West Lancashire Borough Council respectively: both organisations are partners in the More Positive Together project. During the year amounts totalling £52,359 (2021: £47,055) were payable to Regenda Homes, of which £56,122 (2021: £57,249) was in relation to this project.

Director Z Coupland (resigned 15 April 2021) is a Manager at Sahara Women's Charity which was awarded grants totalling £nil (2021: £6,738) as part of the Satellite Clubs Delivery project.

All project-related payments were at arm's length and the same processes and checks were applied prior to the payments as for any other organisation.

At the year end the charitable company owed £nil and £3,506 to Regenda Homes and West Lancashire Borough Council respectively (2021: £26,115 and £27,472). There were no other outstanding balances with related parties as at 31 March 2022 (2021: £nil).

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

12 Pension scheme

On 1 April 2010 the charitable company was admitted into a multi-employer defined benefit scheme, operated through Lancashire County Council. The assets of the scheme are administered by trustees in a fund independent from the charitable company.

FRS 102 Section 28 Employee Benefits requires the use of actuarial techniques to assess the present value of future pension liabilities. In accordance with FRS 102, the charge for the scheme has been calculated on the sum of the cost of benefits accruing in the year, the increase in the value of benefits already accrued and the expected return on net assets. The charitable company's contribution to the scheme during the year amounted to 10.4% of pensionable salaries and its expected contribution to the scheme for the year ending 31 March 2022 is £159,000. At the year-end £22,450 (2021: £14,399) was owed to the scheme in respect of contributions.

Lancashire County Council guarantees any pension scheme deficit crystallising if the charitable company is wound up or leaves the scheme. The deficit has reduced by £331,000 in the year and a decrease of £331,000 in the corresponding reimbursement asset has therefore also been recognised. An analysis of the movements in the deficit during the year is shown below:

	2022 £	2021 £
At 1 April	(2,092,000)	(1,311,000)
Total operating charge: current service cost	(450,000)	(248,000)
Total operating charge: part service cost	-	-
Total other finance costs: interest costs	(44,000)	(28,000)
Actuarial gain/ (loss)	666,000	(602,000)
Employer contributions (less admin expenses)	159,000	97,000
At 31 March	(1,761,000)	(2,092,000)

Analysis of the amount recognised as the actuarial gain/ (loss) in the statement of financial activities:

	2022 £	2021 £
Difference between expected and actual return on assets	666,000	(602,000)
Actuarial gains/ (losses)	666,000	(602,000)

Analysis of the amount recognised as an exceptional item within the expenditure on charitable activities in the statement of financial activities:

	2022 £	2021 £
Total operating charge: current service cost	(450,000)	(248,000)
Total operating charge: part service cost	-	-
Total other finance costs: interest costs	(44,000)	(28,000)
Employer contributions (less admin expenses)	159,000	97,000
At 31 March	(335,000)	(179,000)

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

12 Pension scheme (continued)

The amounts included in the balance sheet arising from obligations in respect of defined benefit pension plans are as follows:

	2022 £	2021 £
Fair value of plan assets	3,316,000	2,677,000
Present value of defined benefit obligations	<u>(5,077,000)</u>	<u>(4,769,000)</u>
Deficit in scheme	<u>(1,761,000)</u>	<u>(2,092,000)</u>

An analysis of the movement in the present value of defined benefit obligations:

	2022 £
At 1 April 2021	(4,769,000)
Current service cost	(450,000)
Past service cost	-
Benefits paid	(2,000)
Actuarial gains/ (losses)	327,000
Contributions from scheme members	(77,000)
Interest cost	(106,000)
At 31 March 2022	<u>(5,077,000)</u>

An analysis of the movement in the fair value of plan assets:

	2022 £
At 1 April 2021	2,677,000
Interest income	62,000
Return on plan assets	339,000
Benefits paid	2,000
Contributions by the employer (less admin expenses)	159,000
Contributions from scheme members	77,000
At 31 March 2022	<u>3,316,000</u>

The fair value of plan assets at the reporting period end was as follows:

	2022 £	2021 £
Equities	3,000	1,256,000
Government & other bonds	27,000	-
Property	53,000	380,000
Cash/ liquidity	83,000	59,000
Other	<u>3,150,000</u>	<u>982,000</u>
	<u>3,316,000</u>	<u>2,677,000</u>

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

12 Pension scheme (continued)

The principal assumptions used for the actuarial valuation were:

	2022	2021
	%	%
Rate of increase in salaries	4.6	4.2
Rate of increase in pensions in payment	3.2	2.8
Discount rate	2.8	2.2
Inflation assumption	3.1	2.7

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022	2021
	Years	Years
Retiring today		
- Males	22.3	22.4
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.7	23.9
- Females	26.8	26.9

13 Tangible fixed assets

	Equipment
	£
Cost	
At 1 April 2021	39,100
Additions	37,376
Disposals	(17,448)
At 31 March 2022	59,028
Depreciation	
At 1 April 2021	34,413
Charge for the year	12,671
Eliminated on disposals	(17,448)
At 31 March 2022	29,636
Net book value	
At 31 March 2022	29,392
At 31 March 2021	4,687

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

14 Debtors: Amounts falling due within one year

	2022 £	2021 £
Trade debtors	471,977	36,019
Prepayments and accrued income	1,838,758	945,112
	2,310,735	981,131

15 Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	115,167	36,046
PAYE and social security	97,531	25,833
Other creditors	27,104	20,053
Accruals and deferred income	1,584,345	631,125
	1,824,147	713,107

Accruals and deferred income includes deferred income as shown below.

	2022 £	2021 £
Balance as at 1 April 2021	1,500	9,375
Amounts written back from income earned from charitable activities	(1,500)	(9,375)
Amount deferred in year	366,468	1,500
Balance as at 31 March 2022	366,468	1,500

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds

	Fund balances at 1 April 2021	Income received this year	Expenditure	Transfers between funds	Fund balances at 31 March 2022
	£	£	£	£	£
Restricted funds					
Workforce Development	1,592	42,500	(34,285)	(6,000)	3,807
Tackling Inequalities Funding	52,258	132,000	(146,228)	6,000	44,030
ESIF 2.1 Business Health Matters	39,829	1,158,339	(1,128,620)	(29,468)	40,080
Hub / Charity Shop Accrington	37,991	91,594	(55,188)	(4,851)	69,546
Youth Homelessness Project	19,471	56,778	(69,822)	(6,427)	-
Rossendale Youth Works	11,361	47,170	(34,942)	(7,859)	15,730
Digital MarComms	10,148	-	(14,533)	7,571	3,186
Regional Social Prescribing	5,965	23,389	(22,798)	-	6,556
Pendle Project New 2021	722	123,351	(100,971)	(1,501)	21,601
LCC Healthy Weight Service	-	10,000	-	(10,000)	-
Club Link Makers – Capacity	154	-	-	(154)	-
Club Link Makers – Delivery	94,206	-	-	(94,206)	-
Positive Futures	20,320	41,878	(33,573)	(1500)	27,125
School Games – Capacity	9	25,000	(24,928)	-	81
School Games – Delivery	20,928	35,700	(23,689)	-	32,939
Primary School Funding	11,691	-	-	(11,691)	-
Volunteer Coaching	5,301	-	(4,856)	(445)	-
Insight	11,299	4,375	(7,353)	25,049	33,370
Communications & Marketing	6,017	1,058	(13,036)	13,250	7,289
Get Healthy Get Active	36,599	18,225	(17,130)	14,499	52,193
Sports Leaders	3,687	-	(260)	-	3,427
More Positive Together	86,210	1,344,835	(1,268,077)	(140,340)	22,628
Active Lives Survey	7,059	20,150	(22,328)	(1,000)	3,881
BHM Sales & Marketing	-	250	(40,463)	45,000	4,787
Workforce Development Innov	6,936	500	(600)	-	6,836
Opening Up Schools Facilities	-	338,495	(337,435)	(1,060)	-
VCFS Chair	448	17,579	(17,605)	(422)	-
Healthly Ageing Trailblazer	-	259,984	(314,269)	54,285	-
Rossendale Works	15,187	73,728	(63,604)	(2,773)	22,538
StreetGames Holiday Activities	-	9,600	(6,402)	(3,198)	-
Children & Young People	-	221,853	(201,589)	55,141	75,405
Blackburn Public Health CSI	-	31,973	(8,537)	(2,907)	20,529
Commonwealth Games National	-	53,500	(42,400)	-	11,100
MPT Steps	-	461,483	(411,637)	(13,056)	36,790
Smoking Cessation Project	-	56,528	(3,928)	-	52,600
Moving Communities Fund	-	8,108	(8,108)	-	-
Make Every Contact Count	-	10,000	-	-	10,000
Satellite Clubs Innovation	17,800	-	-	-	17,800
Substance Misuse Project	4,447	69,000	(67,547)	(5,840)	60
Total restricted funds	527,635	4,788,923	(4,546,741)	(123,903)	645,914
Unrestricted funds	454,072	380,521	(483,271)	123,903	475,225
Total funds	981,707	5,169,444	(5,030,012)	-	1,121,139

Active Lancashire Limited
(A Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds (continued)

Prior year	Fund balances at 1 April 2020 £	Income received this year £	Expenditure £	Transfers between funds £	Fund balances at 31 Mar 2021 £
Restricted funds					
Workforce Development	4,174	42,500	(39,301)	(5,781)	1,592
Tackling Inequalities Funding	-	226,250	(173,992)	-	52,258
ESIF 2.1 Business Health Matters	-	98,334	(102,005)	43,500	39,829
Hub / Charity Shop Accrington	-	56,059	(30,099)	12,031	37,991
Youth Homelessness Project	-	32,330	(12,195)	(664)	19,471
Rossendale Youth Works	-	14,658	(8,572)	5,275	11,361
Digital MarComms	-	-	(12,020)	22,168	10,148
Regional Social Prescribing	-	10,973	(5,008)	-	5,965
Pendle Project New 2021	-	5,800	(11,078)	6,000	722
LCC Heathy Weight Service	-	9,999	(9,999)	-	-
Club Link Masters – Capacity	-	66,699	(66,545)	-	154
Club Link Masters – Delivery	114,396	87,110	(84,829)	(22,471)	94,206
Positive Together	23,124	70,000	(69,742)	(3,062)	20,320
School Games – Capacity	10,150	14,583	(24,724)	-	9
School Games – Delivery	18,307	20,417	(17,796)	-	20,928
Primary School Funding	37,475	39,693	(64,927)	(550)	11,691
Volunteer Coaching	12,990	8,000	(15,269)	(420)	5,301
Insight	9,078	1,125	(9,014)	10,110	11,299
Communications & Marketing	4,645	-	294	1,078	6,017
Get Healthy Get Active	26,866	21,669	(12,603)	667	36,599
Sports Leaders	3,677	-	(490)	500	3,687
More Positive Together	58,210	1,627,291	(1,598,653)	(638)	86,210
Active Lives Survey	11,529	11,754	(15,724)	(500)	7,059
Digital Maturity Volunteer Sector	652	-	(652)	-	-
Workforce Development Innov	1,589	13,950	(8,453)	(150)	6,936
Opening Up Schools Facilities	74,758	-	(69,758)	(5,000)	-
VCFS Chair	119	21,000	(20,671)	-	448
Healthy Ageing Trailblazer	-	48,918	(39,314)	(9,604)	-
Rossendale Works	(274)	80,890	(63,798)	(1,631)	15,187
Satellite Clubs Innovation	13,026	4,941	(167)	-	17,800
Substance Misuse Project	21,305	92,318	(104,517)	(4,659)	4,447
Total restricted funds	445,796	2,727,261	(2,691,621)	46,199	527,635
Unrestricted funds	430,972	368,697	(299,398)	(46,199)	454,072
Total funds	876,768	3,095,958	(2,991,019)	-	981,707

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds (continued)

Purpose of the restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or by the terms of an appeal for particular projects. Notes:

- **Workforce Development** – Sport England project that supports Workforce Development
- **Club Link Makers – Capacity** – Sport England project to pay for the resources and salary of the Club Link Maker post. Now amalgamated into the Children & Young Peoples project fund.
- **Club Link Makers – Delivery** – Sport England project to pay for the delivery of the Satellite Clubs project to start up and sustain new clubs. Now amalgamated into the Children & Young Peoples project fund.
- **Positive Together** – Project funded by various partners providing resource and other capacity to work with offenders to engage in sporting and practical activities to reach their potential and make a positive contribution to their local communities and reduce the risk of reoffending. This reflects that the funds are being used as match funding for the More Positive Together project.
- **School Games – Capacity** – Sport England project to pay for the salary costs of the Events and Marketing Officer.
- **School Games – Delivery** – Sport England project and sponsorship to pay for the resources, promotion and delivery of the School Games Events.
- **Primary School Funding** – Sport England funded project to strengthen the links between primary schools and those organisations working in sport locally and nationally and help make effective use of the funding and support. Now amalgamated into the Children & Young Peoples project fund.
- **Volunteer Coaching** – Sport England funded project. Volunteer Leadership and Coaching Bursary to support volunteers at Level 2 of the School Games.
- **Insight** – Research and Insight budget supporting the training and research projects of the Research & Insight officer and contributes towards student assistants for research projects. Funded by commissioned work for partners and projects.
- **Communications & Marketing** – The fund represents the marketing and communications elements of a number of projects. Marketing budgets have been pooled from across a number of projects to pay for marketing and communication and its activities with promotional products, training, equipment and research. Bringing together these allocated funds allows for transparency of spend and efficiency of resources. Transfers have therefore been made from various other restricted funds to reflect this.
- **Get Healthy Get Active Project** – Challenge through Sport Initiative (CSI) project, funded and supported by various partners to pay for support workers and project manager and activities to use sport and physical activity to enhance recovery of adults with drug, alcohol and other dependency problems.
- **Regional Social Prescribing** - The purpose of the Regional Social Prescribing funding is to provide a resource (in the form of a staff member) to work with partners across the North West region relating to the promotion and inclusion of physical activity in social prescribing activity taking place. Specifically, the project aims to ensure that physical activity is embedded as a key part of social prescribing programmes and work across the North West.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds (continued)

Purpose of the restricted funds (continued)

- **Sports Leaders** – Themed project to develop volunteering support and engagement.
- **More Positive Together** – European funding (ESIF) targeting IMD areas in Lancashire – hardest to reach inactive/ unemployed, help towards employment.
- **Active Lives Survey** – Sport England funding to facilitate a new school-based Active Lives Survey for Children and Young People to measure participation in sport and physical activity among children in school years 1 to 11.
- **Satellite Clubs Innovation** – Support the innovation and administration of satellite clubs.
- **CSI North & Central Substance Misuse Project** – This is part of the Challenge Through Sport Initiative work funded by CGL engaging people in physical activities and referring into other support services.
- **Digital Maturity Voluntary Sector Research** – These funds were provided to conduct a piece of research work into the digital maturity and social prescribing readiness of Voluntary, Community, Faith and Social Enterprise sector organisations across Lancashire and South Cumbria. The work involved a large scale survey, focus groups and the production of a final report for Healthier Lancashire and South Cumbria.
- **Healthy Ageing Trailblazer** – The purpose of these funds is related to the Healthy Ageing Industrial Strategy Challenge Fund Competition. Initial funding from UCLan was provided to secure consultancy support for the submission of a stage 1 application, including drafting of the application form and preparation sessions for the formal interview which was part of the application process.
- **ISCF Business Health Matters** - The ISCF Business Health Matters project is an industrial research project, part funded by Innovate UK. The project involves 14 partners and the purpose is to test and develop health screenings and associated healthy lifestyle interventions in the workplace, which cover both physical and mental health and are delivered by staff from a leisure background. The projects main objective is to test and learn in order to develop a service, which can provide a range of workplace health offers to businesses across Lancashire. The project is also looking to ensure the service is commercially viable and can be delivered without the need of grant funding when the Innovate UK funding ends in March 2024.
- **Core 24 connectors** - This is a partnership project with the NHS Innovation Agency and Vcfse partners from Blackpool. The aim is to collect the experiences and insights from people living in deprived areas and with long term conditions to better inform and design health and wellbeing services commissioned by the Lancashire and South Cumbria ICS.
- **MECC - Making Every Contact Count** - Many long-terms diseases in our population are closely linked to known behavioural risk factors. Around 40% of the UK's healthy life years lost are attributable to tobacco, hypertension, and alcohol, being overweight or being physically inactive. Making changes such as stopping smoking, improving diet, increasing physical activity, losing weight and reducing alcohol consumption can help people to reduce their risk of poor health significantly. Making every contact count (MECC) is an approach to behaviour change that utilises the millions of day to day interactions that organisations and people have with other people to encourage changes in behaviour that have a positive effect on the health and wellbeing of individuals, communities and populations.
- **Street Games Holiday Activities fund** - To provide additional capacity to support Street Games coordination of the coastal Holiday Activity Fund Programme in Summer 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds (continued)

Purpose of the restricted funds (continued)

- **Rossendale Works CSI** – An employment project focussed purely on the Local Authority district of Rossendale. The Economic Development Team at Rossendale Borough Council provides funding to Active Lancashire to employ support workers who provide support for local businesses to engage new employees via trial work placements. These are supplemented by a range of positive engagement and training activities delivered locally.
- **Opening Schools Facilities** – This is a Sport England funded programme which supports schools in any issues they have with making the best use of their facilities. The work involves researching the most common issues and providing a range of support to help schools maximise the use of their facilities. This could include help with business planning or staffing so that facilities can be used in the evenings/ weekends for example.
- **Workforce Development Innovation** – Sport England funding to support our work in prisons and with Lancashire United – the football trust consortium. The innovation is working to develop staff within the prison so that they can provide a wider range of activities; development for those in prison so that some of them can achieve basic qualifications before leaving prison and finally to develop Football Community Trust staff so that they are better equipped to engage with those in prison and when they come back into the community.
- **Voluntary Sector Lead** – Active Lancashire have agreed to provide administration which enables payments to be made to the Voluntary, Care, Faith and Social Enterprise (VCFS) Chair role on behalf of the wider voluntary sector in Lancashire using funding provided by the NHS in the county. We provide this service on a cost neutral basis to proceed wider benefit to the voluntary sector.
- **Tackling Inequalities Funding** - The Tackling Inequalities Fund exists to reduce the negative impact of coronavirus and the widening inequalities in sport and physical activity. It focuses on under-represented groups, particularly - Lower socio-economic groups; Black, Asian and Minority Ethnic communities; Disabled people and People with long-term health conditions. This National Lottery money will enable community groups to continue to exist and engage with their communities, with a view to keeping them active during both the lockdown and early recovery stages. The fund is designed to deal with the 'here and now' issues caused as a result of coronavirus and aims to support community organisations working with priority audiences so they have a future to plan for. In Lancashire we are identifying and supporting community groups who can reach out and support those with immediate need, and who may not be reached through traditional channels. They put together a short proposal regarding identified need, activities, costs and impact, which are assessed by Active Lancashire staff and submitted to Sport England for approval. Once approved we distribute 50% of the agreed funding and with good progress the second instalment is paid to the community group. They in turn provide feedback, information for case studies and shared learning.
- **MPT STEPS** - MPT Steps is a Lancashire partnership project, funded by the European Social Fund (ESF) programme, which will aim to engage with over 4,000 job seekers who may have recently been made unemployed or those who are economically inactive living in Lancashire. The project, set to run until December 2023, will seek to address the issues faced by disadvantaged Lancashire communities in accessing or re-accessing the job market as a result of the Covid-19 Pandemic. It brings together various organisations from different sectors to share best practice and provide greater coverage across the county. MPT Steps will provide tailored 1-2-1 mentoring support to residents living in Lancashire, with the opportunity to engage in a range of activities which will help improve overall health and wellbeing.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds (continued)

Purpose of the restricted funds (continued)

- **ESIF 2.1 Business Health Matters** - This is a project designed to improve the skills of people in employment across Lancashire and help them retain employment. The project will provide basic skills, level 2 and level 3 qualifications to participants. These qualifications will be delivered by project partners and a big focus of the project will be the delivery of level 2 and level 3 Workplace Health Champion qualifications. Active Lancashire is the project lead.
- **Rossendale Youth Works** - A project in Partnership with Rossendale Borough Council supporting the Economic Growth of the borough with a specific focus on Young People age 18-25. The project works with Local Businesses to provide work experience placements of 4 weeks to those participants who have been supported towards the labour market. Referrals come direct from the Local Job Centre Plus and all participants are supported with Health & Wellbeing by support officers.
- **Pendle Project New 2021** - A project in Partnership with Pendle Borough Council to establish a Youth Employment Hub working alongside DWP Colleagues. Young People will be referred from the work coaches and supported in depth with a range of local opportunities and services that support Young People age 16-25 on that employment journey. The YES Hub has recently opened its doors on Scotland Road in Nelson working along Lancashire Adult Learning (Nelson Group) and a range of local delivery partners.
- **LCC Healthy Weight Service** - The Healthy Weight Service is a service funded by Lancashire County Council and delivered by local authorities or leisure trusts in the 12 local authority areas of the county. The service provides support to people with a Body Mass Index of 30 to 39.9, to help them achieve sustained behaviour change and lose weight. Active Lancashire performs the monitoring function for the service.
- **Moving Communities** - Moving Communities is a data platform which provides insight on leisure facilities across Lancashire. The objective is to provide facility planning support to Leisure Trusts and Local Authorities driven through this data and encourage usage of the site to drive better quality insight.
- **FAM Big Local Grant** - Resident led big local groups which aims to improve lives of those in Fishwick and St Matthews ward of Preston. The objective is to improve our placed based understanding through managing a physical and mental wellbeing project, by offering services to residents, working in partnership with other local organisations.
- **Commonwealth Games Legacy fund** - School Games extension funding through Sport England to delivery commonwealth games inspired programmes, funding each School Games Officer as per Sports England agreements with central resource for targeted interventions and CPD
- **Children & Young People** - Sport England funding aligned to the primary role, to have a strong understanding of young people (people and place), and work with local structures to develop and deliver positive experiences for young people (over 5) in order to increase the number of children and young people who have a positive attitude towards sport and physical activity. Working in local places should also support the priorities, in particular of tackling inequalities and reducing inactivity.
- **Young People Forward** - To use sport to improve the physical and mental health, self-efficacy and resilience of young people who are homeless or at risk of homelessness. Sport and activity will be used as a positive intervention to help address the challenges the young people face and improve their physical and mental wellbeing. Additional support will also be given to help some of the young embark on a journey out of homelessness. This approach will also benefit the community organisations to enhance their support offer to young people leading to sustained community provision.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

16 Funds (continued)

Purpose of the restricted funds (continued)

- **Active Seconds** - The shop will build on the projects physical activity roots and will be selling second-hand goods to encourage people to begin their wellbeing journeys. Donations are received from local organisations and people in the community such as Bric-a-Brac, furniture, clothes, electrical items etc. All proceeds from the store will go directly back into the project itself, allowing for their team of support workers to continue carrying out life-changing initiatives for the benefit of Lancashire residents. The space at the back of the store will help support the delivery of the project, with a designated area to be used to carry out meetings, training and physical activity sessions.
- **Blackburn Public Health Project** - The Crime Harm Reduction Project supports work on drug related crime reduction and drug related deaths. A joined-up approach to engage prisoners pre-release and immediately post release and provide support via The 180 Project (a community recovery programme in BwD aiming to turn recovering addicts and alcoholics into 'athletes' using an adapted CrossFit programme) and Active Lancashire (a bespoke behaviour change programme helping people improve their skills and employment prospects, build confidence and community integration to help prevent reoffending).
- **Stop Smoking Project** - Is part of the Tobacco Control Programme helping people to stop smoking, prevent first time smokers, to reduce harm from tobacco and develop smoke free environments. We will liaise and work with GP's, pharmacy, health & social care, hospital and community services across the 4 primary care networks in Blackburn with Darwen. To promote the benefits of stopping smoking and the stop smoking services through a variety of interventions including brief assessment, advice, events and signposting to further support. This will include individual and group based interventions, signposting and referring to participating pharmacies delivering the Stop Smoking Service.

17 Fund balances represented by

	General Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Balance at 31 March 2022 £'000
Tangible fixed assets	26,958	-	2,434	29,392
Current assets	600,369	-	2,315,525	2,915,894
Creditors falling within one year	(152,102)	-	(1,672,045)	(1,824,147)
	475,225	-	645,914	1,121,139
Prior year	General Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Balance at 31 March 2021 £'000
Tangible fixed assets	4,687	-	-	4,687
Current assets	482,065	-	1,208,062	1,690,127
Creditors falling within one year	(32,680)	-	(680,427)	(713,107)
	454,072	-	527,635	981,707

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

18 Operating lease commitments

At the year end, the total of future minimum lease payments under non-cancellable operating leases was:

	2022 Land and buildings £	2022 Other £	2021 Land and buildings £	2021 Other £
Amounts due within one year	13,372	-	13,000	1,745
Amounts due between one and five years	29,260	-	-	-
	42,632	-	13,000	1,745