Wigan Leisure and Culture Trust

Financial statements

For the year ended 31 March 2007



Company No. 4624607

Company information

Charity registration number	1105278
Company registration number	4624607
Registered office	Robin Park Headquarters Robin Park Indoor Sports Centre Loire Drive Robin Park Wigan WN5 0UL
Trustees	J Boardman (Chair) J B Baldwin D A Bartle T Bradshaw G W Cross J Garlick W Hampson D A Lea D A Newman E Smethurst A Wiggans
Secretary	A J Johnson
Bankers	The Cooperative Bank Plc P O Box 101 1 Balloon Street Manchester M60 4EP
Solicitors	Wigan MBC Legal Department New Town Hall Library Street Wigan WN1 1YN
Auditors	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

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Report of the trustees

The trustees, who are also directors of the charitable company for the purposes of the Companies Act present their report together with the audited financial statements for the year ended 31 March 2007

Objectives and policies

The charitable company has been established for the public benefit of the community and visitors to the Borough of Wigan and surrounding areas for the following purposes

- the advancement and support of education culture arts heritage and history
- the provision or assistance in the provision of facilities for recreation or other leisure time occupations
- the promotion and preservation of good health through community participating in healthy recreation
- any other charitable purposes beneficial to the public consistent with the above noted objectives as the Trustees shall determine

Organisation

The charitable company is a company limited by guarantee and the income and property of the charitable company shall be applied solely towards the promotion of its objectives as noted above No dividend bonus or profit share shall be paid or transferred directly or indirectly to members of the charitable company

The financial statements show the financial affairs of both the Wigan Leisure and Culture Trust group and the Wigan Leisure and Culture Trust company The group consists of Wigan Leisure and Culture Trust and its 100% subsidiary, Wigan Leisure and Culture Enterprises Limited

Charitable status

The company gained charitable status on 3 August 2004 The charity registration number is 1105278

Structure, governance and management

The board of trustees was set up through a mix of identified specialists/council nominees and open adverts in the press Replacement trustees are recruited in a similar manner The board meet every other month, with an AGM being held before one of the board meetings

Sub-committees include the audit committee and the finance and performance committee, and its members are listed below

Audit committee B Baldwin, W Hampson, A Wiggans and J Garlick

HR and H/S committee A Wiggans, D Lea, T Bradshaw, B Baldwin, B Bartle and J Boardman

Finance and performance committee D Newman, W Hampson, J Boardman, J Garlick G Cross and E Smethurst E Smethurst was appointed to the committee in December 2006 and G Cross was appointed in October 2006

The executive management team meets each week, and its members are listed below

R Hill (Chief Executive)
A Johnson (Finance Director and Company Secretary)
K Bardgett (Executive Director, Corporate Services)
I Bancroft (Executive Director Libraries, Information and Heritage)
M Eden (Executive Director, Sport and Healthy Living)
P Gascoigne (Executive Director, Policy and Regeneration)
S Murray (Executive Director, Environmental Management and Sustainability)

The charitable company operates under the memorandum and articles of association as modified in June 2005

Trustee training and development

Training for trustees is regularly monitored and reviewed, each year, aboard appraisal exercise is undertaken by both trustees and the executive management

Decision making

Strategic decisions are approved by the board of trustees, but operational decisions are the province of the Executive Management team Significant operational decisions are, however reported to the board

The memorandum and articles of association allows delegation of all management decisions to the executive management team

Strategies employed in the year

The implementation of the "Getting Wigan Active" strategy continued A draft business strategy for the Trust was developed in the year and this will be approved and signed off by the Board early in 2007/2008

Significant activities - achievements and performance

Major investment achievements in the year included £107,000 fit out of the Platt Bridge Library, the purchase and development of a new £40,000 HR IT system, and £32,000 replacement of technologically advanced equipment in the Trust's gyms In addition, the Trust worked in partnership with the Council and other agencies to develop the Leigh Sports Village, Wigan Pier Quarter and town centre PFI schemes

Results for the year

The financial statements are prepared in accordance with applicable accounting standards and the Charity Statement of Recommended Practice (SORP) issued in March 2006 and cover the activities of Wigan Leisure and Culture Trust and its trading subsidiary Wigan Leisure and Culture Enterprises Limited The Statement of Financial Activities (SOFA) shows the gross income from all sources and the split of activity between restricted, designated and unrestricted funds

Total funds of the charitable company and the group have been reduced by the actuarial pension liability (see note 26) and are in deficit by £1,372,290 as at 31 March 2007 (31 March 2006 £4,752,021) representing unrestricted funds in deficit of £2,086,426 (31 March 2006

£5,500,845), restricted funds in surplus of £694,136 (2006 £748,824) and designated funds of £20,000 (March 2006 £Nil) The pension reserve is £2,588,000 in deficit as at March 2007 (2006 £5,791,000) Cash balances reduced during the year but remained strong

The statement of financial activities shows that there were net outgoing resources for the group for the financial year amounting to £536,269 (2006 £404,115)

The group and the charitable company's income funds fall into the following categories

- Restricted funds (£694,136 as at 31 March 2007) including minimum reserve funding received from Wigan Metropolitan Borough Council of £347,000 Further information is provided in note 18 to the accounts In addition, £347 136 represents various grant income earmarked for specific projects

- Unrestricted funds (deficit of £2,086,426 as at 31 March 2007) represents funds held for the day–to–day running of the charitable company The unrestricted fund includes the pension reserve in deficit by £2,588,000

- Designated funds

Review of the year

The Trust met all of its social and business objections and in addition, through a combination of proactive management effective marketing of its services and favourable external operational factors, generated a trading surplus that will be utilised in future years to support the work of the organisation

During 2007 the Trust utilised a new set of Key Performance Indicators aimed to reflect the four key areas of focus

- Participation
- Customer satisfaction
- Value for money
- Impact (including Diversity)

Reliance on other parties

The charitable company continues to rely on the policies of national and local government for certain streams of income Discussion with the local authority have increased those income streams through the provision by the Trust of additional services and have secured existing income levels for the foreseeable future

Future plans

The executive management team has developed the Trust's five year business strategy, and that strategy, which will underpin service provision until 2012, will be formally approved by the board in 2007/2008

The Trust is actively involved with the local authority and other partners in the development of both the Local Area Agreement and the Cultural Commentaries, processes through which future funding streams and the effectiveness of the work of Trust may be assessed

Reserves

The charitable company's agreement with Wigan Borough Council confirms that for any year the Council, in determining its level of funding, will disregard any accumulated surpluses and general reserves in the company's balance sheet at the end of the immediately preceding year up to a maximum of 15% of the funding for that immediately preceding year

This condition directly affects the charitable company's reserve policy and in accordance with it, the charitable company has resolved to maximise its reserves over a ten year period

The purpose of those reserves is to safeguard against both any significant loss of funding and any unforeseen adverse circumstances and to thereby facilitate the continuance of the deliverance of the charitable company's stated objectives

The level of consolidated reserves before taking account of the FRS 17 adjustment for the pension deficit on 31 March 2007 is £1,215,710 (2006 £1,038,979)

Investment policy

Bearing in mind the charitable company's commitment to effective stewardship of resources and the good rates of interest earned, the company is currently committed to the continuing investment in its Public Sector Reserve accounts

Grant policy

The charitable company gives very limited grants to external institutions Those that are given are approved by the Board through the charitable company's financial monitoring arrangements

Employee involvement

The charitable company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the charitable company and has now developed an "executive briefing" process to improve those communications

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities In the event of employees becoming more disabled every effort is made to retrain them in order that their employment with the charitable company may continue

It is the policy of the charitable company that training career development and promotion opportunities should be available to all employees

Financial risk management

The major risks to which Wigan Leisure and Culture Trust is exposed have been reviewed and systems established to mitigate those risks

The primary risk facing the Trust is the loss of the support of Wigan Council Currently the fees paid to the Trust, the Community Services Fee, amounts to approximately 55% (2006 56%) of total income and therefore its loss could lead to the closure of the organisation However the current funding agreement runs until March 2013 and during that time in order to mitigate that risk the Trust is committed to expanding its funding base The successful implementation of this policy can be seen in the 13% growth in income during the year from the Trust's trading subsidiary

The Trust is not exposed to currency risk and has minimal exposure to interest rate risk, price risk or market risk

Risk assessment

The charitable company has developed an organisation risk register, which includes consideration of risk impact and remedial action plans and which is subject to continual review and revision A formal risk strategy to underpin the register has been presented to the Board Training in risk assessment is delivered to staff and a quarterly assessment report is presented to the Finance and Performance Committee Within the organisation a "Procurement, Facilities and Risk Management" section has been established to support this area of work

Trustees

The trustees of the charitable company at the end of the year are listed below All served on the Board throughout the year unless otherwise indicated

J Boardman (Chair)
J B Baldwin
D A Bartle
T Bradshaw
J Garlick
W Hampson
D A Lea
D A Newman
E Smethurst
A Wiggans
G W Cross (appointed 22 September 2006)

The trustees have no beneficial interest in the charitable company

Trustees' responsibilities for the financial statements

The trustees 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 its subsidiary during the year and of their financial position at the year end In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and its subsidiary and which enable them to ascertain their financial position and to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations thereunder They are also responsible for safeguarding the assets of the charitable company and its subsidiary and 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 company's auditors are 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

Auditors
Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD OF TRUSTEES



J Boardman
Trustee

21 September 2007

Grant Thornton

Report of the independent auditors to the members of Wigan Leisure and Culture Trust

We have audited the financial statements of Wigan Leisure and Culture Trust for the year ended 31 March 2007 which comprise the principal accounting policies, the consolidated statement of financial activities, the balance sheets, the consolidated cash flow statement and notes 1 to 28 The financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Wigan Leisure and Culture Trust for the purposes of company law) for preparing the annual report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read other information contained in the financial statements, and consider whether it is consistent with the audited financial statements This other information comprises only the Trustees' Report We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any other information

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed

Grant Thornton

Report of the independent auditors to the members of Wigan Leisure and Culture Trust

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Trustees Report is consistent with the financial statements for the year ended 31 March 2007

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER

21 September 2007

Principal accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice Accounting by Charities (the SORP) issued in March 2005

The directors have reviewed the accounting policies in accordance with FRS18 "Accounting Policies" and consider them to be the most appropriate to the company

Basis of consolidation

The group financial statements consolidate those of the charitable company and its subsidiary undertaking drawn up to 31 March 2007, on a line by line basis

Incoming resources
All incoming resources are included in the statement of financial activities when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy

Voluntary income
Voluntary income comprises all incoming resources from donations, gifts, core funding grants and investment income Income from investments is included in the statement of financial activities in the year in which it is receivable

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received

Grants receivable
Grants receivable and local authority fees are credited to the statement of financial activities when receivable, provided there are no donor–imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre–condition has been met

Charitable trading income
Charitable trading income represents amounts receivable by the charitable company for services provided aligned with the charitable company's objectives as disclosed on page 3 of these financial statements

Investment income and rental income
Income from investments and from rental income is included in the statement of financial activities in the year in which it is receivable

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources Central overhead costs are allocated to operational functions on the basis of their use of central support services

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with charitable activities Included within this category are costs associated with the strategic as opposed to day to day management of the group's activities

Support costs which include management, human resources, finance, marketing, IT, administration and building costs are allocated across categories of charitable expenditure The basis of the cost allocation is explained in note 7 to the accounts

Irrecoverable VAT is charged as a cost to the statement of financial activity

Fund Accounting

Restricted funds are to be used for specific purposes laid down by the donor Expenditure for these purposes is charged to the fund, together with a fair allocation of overheads and support costs

Unrestricted funds are incoming resources received or generated for expenditure on general objectives of the charitable company

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees

Fixed assets

The financial statements do not include the cost of land, buildings and equipment used at nominal rent by Wigan Leisure and Culture Trust, whose title rests with Wigan Metropolitan Borough Council It is not practicably possible to attribute a value to this benefit

Tangible fixed assets and depreciation

The charitable company has adopted a £10 000 capitalisation threshold for individual assets, although assets of lesser value should be capitalised if they form part of a group, with a group value in excess of £10,000 The £10,000 figure includes VAT where this is not recoverable

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation is calculated so as to write off cost of an asset, less its residual value over the useful economic life of that asset as follows

Plant and equipment	– 25%
Computer equipment and software	– 25%

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of financial activities over the period of the lease

All other leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term

Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items

Contributions to pension schemes

Defined benefit scheme

Scheme assets are measured at fair values Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet A net surplus is recognised only to the extent that it is recoverable by the company

The current service cost and costs from settlements and curtailments are charged against operating profit Past service costs are spread over the period until the benefit increases vest Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs Actuarial gains and losses are reported in the statement of total recognised gains and losses

Retirement benefits other than pensions are accounted for in the same way

Consolidated statement of financial activities

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2007 £	Total 2006 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	1	**15,798,018**	–	–	**15,798,018**	15,325,993
Activities for generating funds	2	**4,323,816**	–	–	**4,323,816**	3,817,201
Investment income	3	**198,623**	–	–	**198,623**	191,264
Incoming resources from charitable activities						
Corporate support		**617,733**	–	–	**617,733**	166,056
Environmental management		**2,070,393**	–	**226,172**	**2,296,565**	1 886,720
Libraries heritage and information		**743,425**	**20,000**	**31,000**	**794,425**	924,150
Policy and regeneration		**591,613**	–	**270,907**	**862,520**	1 253 375
Sports and healthy living		**3,494,594**	–	**551,677**	**4,046,271**	3 672,404
Total incoming resources		**27,838,215**	**20,000**	**1,079,756**	**28,937,971**	27 237,163
RESOURCES EXPENDED						
Cost of generating funds	5	**4,254,686**	–	–	**4,254,686**	3,790,621
Charitable activities						
Corporate support		**4,424,676**	–	–	**4,424,676**	3,914,761
Environmental management		**5,785,505**	–	**259,548**	**6,045,053**	5 614,024
Libraries, heritage and information		**5,368,876**	–	**27,412**	**5,396,288**	5,904,744
Policy and regeneration		**1,354,531**	–	**282,863**	**1,637,394**	1,900,141
Sports and healthy living		**6,150,806**	–	**564,621**	**6,715,427**	5,922,009
Pension scheme operating charge		**1,058,000**	–	–	**1,058,000**	587,000
Other pension finance costs		**(345,000)**	–	–	**(345,000)**	(242,000)
	6	**23,797,394**	–	**1,134,444**	**24,931,838**	23 600,679
Governance costs	7	**287,716**	–	–	**287,716**	249 978
Charitable activity expenditure and governance costs	8	**24,085,110**	–	**1,134,444**	**25,219,554**	23,850,657
Total resources expensed	9	**28,339,796**	–	**1,134,444**	**29,474,240**	27,641,278
Net incoming/(outgoing) resources for the year		**(501,581)**	**20,000**	**(54,688)**	**(536,269)**	(404,115)
Actuarial losses on defined benefit scheme	26	**3,916,000**	–	–	**3,916,000**	(1,715,000)
Net movement in funds		**3,414,419**	**20,000**	**(54,688)**	**3,379,731**	(2,119,115)
Total funds brought forward		**(5,500,845)**	–	**748,824**	**(4,752,021)**	(2,632,906)
Total funds carried forward	18	**(2,086,426)**	**20,000**	**694,136**	**(1,372,290)**	(4,752,021)

The financial activities above include £24,683,285 (2006 £23,446,542) of incoming and £25,219,554 (2006 £23,850,657) outgoing resources relating to the charitable company

The results relate wholly to continuing activities

The accompanying notes form part of these financial statements

Consolidated balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible fixed assets	13	**244,129**	222,759
Current assets			
Stocks	15	**173,628**	173,054
Debtors	16	**2,169,972**	2,046,680
Cash at bank and in hand		**2,469,135**	2,084,460
		4,812,735	4,304,194
Creditors: amounts falling due within one year	17	**(3,841,154)**	(3,487,974)
Net current assets		**971,581**	816,220
Total assets less current liabilities		**1,215,710**	1,038,979
Creditors : amounts falling due after more than one year		**–**	–
Net assets excluding pension liability		**1,215,710**	1,038,979
Defined benefit pension scheme liability	26	**(2,588,000)**	(5,791,000)
Net liabilities		**(1,372,290)**	(4,752,021)
Income funds	18		
Restricted funds		**694,136**	748,824
Unrestricted funds			
Designated funds		**20,000**	–
Other charitable funds		**(54,286)**	(47,317)
Non charitable trading funds		**555,860**	337,472
Pension reserve funds		**(2,588,000)**	(5 791,000)
Total funds		**(1,372,290)**	(4,752,021)

The financial statements were approved by the Board of Trustees on 21 September 2007 and signed on their behalf by

J Boardman Director

The accompanying notes form part of these financial statements

Company balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible fixed assets	13	**155,082**	150,751
Investments	14	**1**	1
		155,083	150,752
Current assets			
Stocks	15	**125,237**	119,114
Debtors	16	**2,007,359**	1 685,581
Cash at bank and in hand		**2,192,024**	1 990,103
		4,324,620	3,794,798
Creditors: amounts falling due within one year	17	**(3,263,993)**	(2,906,571)
Net current assets		**1,060,627**	888,227
Net assets excluding pension liability		**1,215,710**	1 038,979
Defined benefit pension scheme liability		**(2,588,000)**	(5,791,000)
Net liabilities		**(1,372,290)**	(4,752,021)
Income funds	18		
Restricted funds		**694,136**	748,824
Unrestricted funds			
Designated funds		**20,000**	–
Other charitable funds		**501,574**	290,155
Pension reserve funds		**(2,588,000)**	(5,791,000)
Total funds		**(1,372,290)**	(4,752,021)

The financial statements were approved by the Board of Trustees on 21 September 2007 and signed on their behalf by

J Boardman Director

The accompanying notes form part of these financial statements

Consolidated cash flow statement

	Note	2007 £	2006 £
Net cash inflow/(outflow) from operating activities	20	**280,600**	(1,201,727)
Returns on investments and servicing of finance			
Interest received		**198,623**	191,264
Net cash inflow from returns on investments and servicing of finance		**198,623**	191,264
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(94,548)**	(233,824)
Net cash outflow from capital expenditure and financial investment		**(94,548)**	(233,824)
Increase/(decrease) in cash	21	**384,675**	(1,244,287)

The accompanying notes form part of these financial statements

Notes to the financial statements

1 Voluntary income

Grants receivable

	Unrestricted £	Designated £	Restricted £	2007 £	2006 £
Grants receivable					
Community service fees	15,798,018	–	–	15,798,018	15,225,993
Donations and gifts					
Donated investments	–	–	–	–	78 000
Receipts under gift aid	–	–	–	–	22 000
Total voluntary income	15,798,018	–	–	15,798,018	15,325,993

2 Activities for generating funds

Incoming resources from activities for generating funds are

	Unrestricted £	Designated £	Restricted £	2007 £	2006 £
Activities for generating funds					
Operations of trading subsidiaries	4,323,816	–	–	4,323,816	3 817 201

3 Investment income

	Unrestricted £	Designated £	Restricted £	2007 £	2006 £
Investment income comprises					
Bank interest receivable	198,623	–	–	198,623	191,264

4 Operations of trading subsidiary

	Wigan Leisure & Culture Enterprises Limited	
	2007	2006
A summary of the results of the trading subsidiary is set out below	**£**	£
Turnover	**4,473,074**	3,962,677
Other operating income and charges	**(4,254,686)**	(3,790,621)
Operating surplus	**218,388**	172,056
Payment under Gift Aid	**(218,388)**	(172,056)
Retained in subsidiary	**–**	–

	2007	2006
The net assets and liabilities of the subsidiary were	**£**	£
Fixed assets	**89,047**	72,008
Current assets	**1,086,978**	778,440
Creditors amounts falling due within one year	**(1,176,024)**	(850,447)
Net current (liabilities)/assets	**(89,046)**	(72,007)
Total assets less current liabilities	**1**	1
Aggregate share capital and reserves	1	1

5 Costs of generating funds

	Unrestricted funds 2007	Unrestricted funds 2006
	£	£
Staff costs and allowances	**2,205,809**	2,030,822
Establishment expenses	**295,758**	246,676
Transport expenses	**369,978**	377,069
Supplier, services and other expenses	**811,782**	830,199
Agency and contracted services	**477,705**	214,895
General expenses	**17,813**	20,791
Support services	**75,841**	70,169
	4,254,686	3,790,621

6 Charitable expenditure

	Unrestricted direct costs £	Unrestricted support costs £	Total unrestricted costs £	Designated direct costs £	Restricted direct costs £	Total 2007 £	Total 2006 £
Corporate support	**4,083,607**	**341,069**	**4,424,676**	**–**	–	**4,424,676**	3 914,761
Environmental management	**4,547,162**	**1,238,343**	**5,785,505**	**–**	**259,548**	**6,045,053**	5,614,024
Libraries heritage and information	**4,445,365**	**923,511**	**5,368,876**		**27,412**	**5,396,288**	5,904,744
Policy and regeneration	**1,212,857**	**141,674**	**1,354,531**	**–**	**282,863**	**1,637,394**	1,900,141
Sports and healthy living	**5,206,307**	**944,499**	**6,150,806**	**–**	**564,621**	**6,715,427**	5,922,009
Pension scheme operating charge	**1,058,000**	**–**	**1,058,000**	**–**	–	**1,058,000**	587 000
Other pension finance costs	**(345,000)**	**–**	**(345,0000)**	**–**	–	**(345,000)**	(242 000)
Total expenditure for charitable activities	**20,208,298**	**3,589,096**	**23,797,394**	**–**	**1,134,444**	**24,931,838**	23,600,679

7 Analysis of support costs

	Management	HR	Finance	Marketing	IT	Admin	Building	Total 2007	Total 2006
	£	£	£	£	£	£	£	£	£
Corporate support	**64,228**	**34,208**	**33,868**	**38,715**	**48,576**	**85,200**	**36,274**	**341,069**	343,895
Environmental management	**233,198**	**124,202**	**122,964**	**140,568**	**176,367**	**309,344**	**131,700**	**1,238,343**	1,391,701
Libraries, heritage and information	**173,910**	**92,625**	**91,703**	**104,830**	**131,529**	**230,696**	**98,218**	**923,511**	951,085
Policy and regeneration	**26,679**	**14,209**	**14,068**	**16,082**	**20,178**	**35,391**	**15,067**	**141,674**	155,826
Sports and healthy living	**177,862**	**94,730**	**93,786**	**107,213**	**134,518**	**235,940**	**100,450**	**944,499**	865,112
Total support costs	**675,877**	**359,974**	**356,389**	**407,408**	**511,168**	**896,571**	**381,709**	**3,589,096**	3,707,619

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping Support costs have been allocated according to the number of full time equivalent staff within each charitable activity

Governance costs are made up of the following

	2007 £	2006 £
Internal audit	**46,873**	45,662
External auditors fee		
audit services	**21,000**	32,250
non–audit services	**5,500**	2,750
Other Governance related costs	**214,343**	169,316
	287,716	249,978

8 Direct charitable expenditure

	Unrestricted funds £	Designated £	Restricted funds £	2007 £	2006 £
Staff costs and allowances	**13,985,069**	–	**678,812**	**14,663,881**	14,375,348
Establishment expenses	**2,539,618**	–	**123,269**	**2,662,887**	2,322,896
Transport expenses	**972,292**	–	**47,194**	**1,019,486**	899,006
Supplier, services and other expenses	**3,020,321**	–	**146,601**	**3,166,922**	3,084,913
Agency and contracted services	**785,602**	–	**38,132**	**823,734**	887,530
General expenses	**1,250,908**	–	**60,717**	**1,311,625**	1,165,574
Support services	**818,300**	–	**39,719**	**858,019**	770,390
Pension scheme operating charge	**1,058,000**	–	–	**1,058,000**	587,000
Other pension finance costs	**(345,000)**	–	–	**(345,000)**	(242,000)
	24,085,110	–	**1,134,444**	**25,219,554**	23,850,657

9 Analysis of resources expenses

	Staff costs £	Other £	Total 2007 £	Total 2006 £
Costs of generating funds	**2,205,809**	**2,048,877**	**4,254,686**	3,790 621
Charitable activities				
Corporate support	**1,156,540**	**3,268,136**	**4,424,676**	3,914,761
Environmental management	**4,199,129**	**1,845,924**	**6,045,053**	5 614.024
Libraries, heritage and information	**3,131,554**	**2,264,734**	**5,396,288**	5,904,744
Policy and regeneration	**480,409**	**1,156,985**	**1,637,394**	1 900,141
Sports and healthy living	**3,202,725**	**3,512,702**	**6,715,427**	5 922,009
Pension scheme operating charge	**1,058,000**	–	**1,058,000**	587,000
Other pension finance costs	**(345,000)**	–	**(345,000)**	(242,000)
	12,883,357	**12,048,481**	**24,931,838**	23 600 679
Governance costs	**287,716**	–	**287,716**	249 978
	15,376,882	**14,097,358**	**29,474,240**	27,641,278

The above costs include

Fees payable to the group's auditor for the audit of the company's annual financial statements	2007 Number	2006 Number
Non-audit services	**21,000**	32,250
Taxation services	**5,500**	2 750
Operating lease rentals		
Land and buildings	**–**	–
Vehicles and equipment	**212,572**	210 254
Loss on disposal of fixed assets	**5,557**	–
Depreciation	**67,621**	11 065

10 Trustees and employees

Staff costs during the year were as follows

	Group 2007 £	Charitable Company 2007	Group 2006 £	Charitable Company 2006
Wages and salaries	**14,148,397**	**12,212,012**	14,291,053	12,537,109
Social security costs	**933,242**	**817,340**	853,372	744,115
Pension costs	**1,342,575**	**1,195,745**	1,601,717	1,465,258
	16,424,214	**14,225,097**	16,746,142	14,746,482

Trustees and employees (continued)

The Group

The average number of permanent employees of the group was as follows

	2007 Number	2006 Number
Corporate support	**71**	71
Environmental management	**245**	244
Libraries, heritage and information	**233**	234
Policy and regeneration	**28**	32
Sports and healthy living	**211**	201
Executive management team	**7**	6
	795	788

The number of full time equivalents was

	2007 Number	2006 Number
Corporate support	**65**	64
Environmental management	**236**	237
Libraries, heritage and information	**176**	174
Policy and regeneration	**27**	30
Sports and healthy living	**180**	171
Executive management team	**7**	6
	691	682

The Group and the company

Employees receiving remuneration in excess of £60,000 are analysed as follows

	2007 £	2006 £
£90,000–£100,000	**1**	1

During the year the following amounts were paid to higher paid employees as shown above

	2007 £	2006 £
Pension contributions to defined benefit schemes	**11,233**	11,395

The trustees nor any persons connected with them have received any remuneration from the charitable company during the year

£4,023 (2006 £ 3,827) of expenses were paid to 9 (2006 9) trustees during the year All expenses related to travel and subsistence

11 Tax on net incoming resources

Given that the primary purpose of the charitable company is charitable and the charitable company is not trading for profit the charitable company is exempt from taxation under Section 505 of ICTA 1988

12 Excess of income over expenditure

The charitable company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own income and expenditure account in these financial statements The excess of income over expenditure for the year was £3,379,731 (2006 expenditure over income £2,119,115) which is dealt with in the financial statements of the charitable company

13 Tangible fixed assets

The Group

	Plant and equipment £	Computer equipment and software £	Total £
Cost			
At 1 April 2006	127,984	105,840	233 824
Additions	41,868	52,680	94 548
Disposals	–	(6,062)	(6,062)
At 31 March 2007	**169,852**	**152,458**	**322,310**
Depreciation			
At 1 April 2006	7 605	3,460	11,065
Charge for the year	37,179	30,442	67,621
Disposals	–	(505)	(505)
At 31 March 2007	**44,784**	**33,397**	**78,181**
Net book amount			
At 31 March 2007	**125,068**	**119,061**	**244,129**
Net book amount			
At 31 March 2006	120,379	102,380	222,759

Tangible fixed assets (continued)

The Company

	Plant and equipment £	Computer equipment and software £	Total £
Cost			
At 1 April 2006	49,400	105,840	155,240
Additions	–	52,680	52,680
	–	(6,062)	(6,062)
At 31 March 2007	49,400	152,458	201,858
Depreciation			
At 1 April 2006	1,029	3,460	4,489
Charge for the year	12,350	30,442	42,792
Disposals	–	(505)	(505)
At 31 March 2007	13,379	33,397	46,776
Net book amount			
At 31 March 2007	**36,021**	**119,061**	**155,082**
Net book amount			
At 31 March 2006	48,371	102,380	150,751

14 Investments

	2007 £	2006 £
Charitable company		
Investment in subsidiary	**1**	1

The company had the following subsidiary undertakings as at 31 March 2007

Name of subsidiary	Country of incorporation	Class of share capital held	Proportion held by parent company	Nature of business
Wigan Leisure and Culture Enterprises Limited	England and Wales	Ordinary shares of £1 each	100%	Provider of leisure facilities

Wigan Leisure and Culture Enterprises Limited had aggregate capital and reserves of £1 at 31 March 2007 and made £Nil for the year ended 31 March 2007

15 Stocks

	Group		Charitable company	
	2007 £	2006 £	**2007** £	2006 £
Raw materials and consumables	**81,130**	68,419	**81,130**	68,419
Finished goods and goods for resale	**92,498**	104,635	**44,107**	50,695
	173,628	173,054	**125,237**	119,114

16 Debtors

	Group		Charitable company	
	2007 £	2006 £	**2007** £	2006 £
Trade debtors	**375,159**	330,151	**145,963**	243,482
Amounts owed by group undertakings	**–**	–	**598,863**	269,045
Amounts owed by Wigan Metropolitan Borough Council	**1,600,537**	1,566,823	**1,080,878**	1,036,453
Other debtors	**15,693**	15,687	**15,693**	15,687
Prepayments	**132,028**	96,602	**119,407**	83 497
Accrued income	**46,555**	37,417	**46,555**	37 417
	2,169,972	2,046,680	**2,007,359**	1,685 581

17 Creditors amounts falling due within one year

	Group		Charitable company	
	2007 £	2006 £	**2007** £	2006 £
Trade creditors	**1,398,824**	1,086,670	**1,095,383**	964 483
Amounts owed to Wigan Metropolitan Borough Council	**1,333,588**	1,231,111	**1,162,308**	1 096 173
Other creditors	**7,852**	15,075	**6,694**	15 075
Other taxation and social security	**375,993**	327,981	**375,993**	251,308
Accruals	**421,856**	558,954	**382,263**	311,349
Deferred income	**303,041**	268,183	**241,352**	268,183
	3,841,154	3,487,974	**3,263,993**	2,906,571

18 Income funds and reserves

The group

	Balance at 1 April 2006	Incoming	Expenditure	Actuarial gains and losses	**Balance at 31 March 2007**
	£	£	£	£	£
Restricted					
Minimum reserve funding	347,000	–	–	–	**347,000**
Local Arts Strategic Fund	10,146	–	(10,146)	–	–
AIM Strategy youth matters	–	104,442	(104,442)	–	–
Parks	–	226,172	(217,437)	–	**8,735**
Arts Project	105,126	166,465	(145,311)	–	**126,280**
Active Living Projects	153,685	551,677	(565,387)	–	**139,975**
Libraries	–	26,000	(17,743)	–	**8,257**
Mesnes Park bandstand	100,000	–	(42,111)	–	**57,889**
Educational workshops for schools	1,600	–	(1,600)	–	–
Well at work	11,444	–	(11,444)	–	–
Leigh Sports Village	4,500	–	(4,500)	–	–
Positive Futures	6,059	–	(6,059)	–	–
Wigan Pier Actors	8,069	5,000	(8,069)	–	**5,000**
Youth Skate facility	1,000	–	–	–	**1,000**
NPQL Training course	195	–	(195)	–	–
	748,824	1,079,756	(1,134,444)	–	**694,136**
Unrestricted					
Designated funds					
Book fund	–	20,000	–	–	**20,000**
	–	20,000	–	–	**20,000**
Other charitable funds	(47,317)	23,365,141	(23,372,110)	–	**(54,286)**
Non charitable funds	337,472	4,473,074	(4,254,686)	–	**555,860**
Pension reserve	(5,791,000)	–	(713,000)	3,916,000	**(2,588,000)**
	(4,752,021)	28,937,971	(29,474,240)	3,916,000	**(1,372,290)**

The charitable company

	Balance at 1 April 2006	Incoming	Expenditure	Gains and losses	**Balance at 31 March 2007**
	£	£	£	£	£
Restricted					
Minimum reserve funding	347,000	–	–	–	**347,000**
Local Arts Strategic Fund	10,146	–	(10,146)	–	**–**
AIM Strategy youth matters	–	104,442	(104,442)	–	**–**
Parks	–	226,172	(217,437)	–	**8,735**
Arts Project	105,126	166,465	(145,311)	–	**126,280**
Active Living Projects	153,685	551,677	(565,387)	–	**139,975**
Libraries	–	26,000	(17,743)	–	**8,257**
Mesnes Park bandstand	100,000	–	(42,111)	–	**57,889**
Educational workshops for schools	1,600	–	(1,600)	–	**–**
Well at work	11 444	–	(11,444)	–	**–**
Leigh Sports Village	4,500	–	(4,500)	–	**–**
Positive Futures	6,059	–	(6,059)	–	**–**
Wigan Pier Actors	8,069	5,000	(8,069)	–	**5,000**
Youth Skate facility	1,000	–	–	–	**1,000**
NPQL Training course	195	–	(195)	–	**–**
	748 824	1,079,756	(1,134,444)	–	**694,136**
Unrestricted					
Designated funds					
Libraries book fund	–	20,000	–	–	**20,000**
	–	20,000	–	–	**20,000**
Other charitable funds	290,155	23,583,529	(23,372,110)	–	**501,574**
Pension reserve	(5,791,000)	–	(713,000)	3,916,000	**(2,588,000)**
	(4,752,021)	24,683,285	(25,219,554)	3 916,000	**(1,372,290)**

Restricted funds

During the year ended 31 March 2004 the company received minimum reserve funding of £347,000 from Wigan Metropolitan Borough Council The purpose of this specific funding was to safeguard against any significant loss of future funding and any unforeseen adverse circumstances and to thereby facilitate the continuance of the deliverance of the group's and charitable company's objectives

Local arts strategic fund was established in the year as a portion of the Local Authority Partnership funding allocated to theatrical arts development

AIM strategy youth projects were established in the year to provide funding for a variety of youth projects

NRSI monies for Walmsley Park fund was established in the year for the construction of a new park

Arts projects were established in the year to provide funding for the following initiatives generic publicity, local arts developments and arts and health co–ordination

Active Living projects were established in the year to provide funding for the following initiatives schools' Fit & Fun sessions, Steps to Health Service, contributory funding for Children's Health & Activity Officer, training costs for the use of defibrillators, funding for Youth Peoples Officer and a number of Sports Development initiatives

Libraries fund was established in the year to provide funding for the Mental Health collection to be held at Leigh Library

Mesnes Park – Donation towards the provision of a bandstand in Mesnes Park, Wigan

Educational Workshops for Schools – Deposits taken in advance for educational workshops to be provided by Wigan Pier in 06 07

Well At Work – Funding provided in advance from British Heart Foundation to promote Health In The workplace in 06 07, funding a post to promote this

Leigh Sports Village – Funds were received from the Arts Council as funding to undertake a feasibility study into the provision of Arts related projects at Leigh Sports Village

Positive Futures – Funding in advance from Positive Futures for the provision of Arts and Youth Development projects

Wigan Pier Actors – Funding from PCT, Groundwork Trust, Coalfield Regeneration Age Concern and the Arts Council for the provision of actors workshops for various projects

Youth Skate Facility – Contribution towards the funding of a skate facility at Jubilee Park, Ashton

NPQL Training Course – Funding for Life Guard Training Course claimed in advance of the training session

Designated funds

Agresso fund was established in the year for the remaining provision of the Agresso implementation

Haigh Hall fund was established in the year to provide funding for a safe route footpath from the car park to the Hall

19 Analysis of group net (liabilities)/assets between funds

The group

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	244,129	–	–	244,129
Current assets	4,098,599	20,000	694,136	4,812,735
Current liabilities	(3,841,154)	–	–	(3,841,154)
Pension liability	(2,588,000)	–	–	(2,588,000)
Total net (liabilities)/assets	(2,086,426)	20,000	694,136	(1,372,290)

The charitable company

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	155,082	–	–	155,082
Investments	1	–	–	1
Current assets	3,610,484	20,000	694,136	4,324,620
Current liabilities	(3,263,993)	–	–	(3,263,993)
Pension liability	(2,588,000)	–	–	(2,588,000)
Total net (liabilities)/assets	(2,086,426)	20,000	694,136	(1,372,290)

20 Net cash (outflow)/inflow from operating activities

	2007 £	2006 £
Net outgoing resources (excluding investment income)	**(734,892)**	(595,379)
Depreciation	**67,621**	11,065
Loss on disposal of fixed assets	**5,557**	–
(Increase)/decrease in stocks	**(574)**	8,050
(Increase)/decrease in debtors	**(123,292)**	110,965
Decrease/(increase) in creditors	**353,180**	(1,081,428)
Increase in pension liability	**713,000**	345,000
Net cash inflow/(outflow) from operating activities	**280,600**	(1,201,727)

21 Reconciliation of net cash flow to movement in net funds

	2007 £	2006 £
Increase/ (decrease) in cash in the year	**384,675**	(1,244,287)
Net funds at 31 March 2006	**2,084,460**	3,328,747
Net funds at 31 March 2007	**2,469,135**	2,084,460

22 Analysis of changes in net funds

	At 1 April 2006 £	Cashflow £	At 31 March 2007 £
Cash in hand	2,084,460	384,675	**2,469,135**

23 Contingent liabilities

There were no contingent liabilities at 31 March 2007 or 31 March 2006

24 Leasing commitments

Operating lease payments amounting to £215,606 (2006 £216,065) are due within one year The leases to which they relate expire as follows

	2007 Group £	2007 Charitable company £	2006 Group £	2006 Charitable company £
Operating leases which expire				
– within one year	–	–	212,504	212,504
– within one to two months	**46,313**	**42,752**	–	–
– within two to five years	**169,293**	**169,293**	3,561	–
	215,606	**212,045**	216,065	212,504

25 Capital commitments

There were no capital commitments at 31 March 2007 or 31 March 2006

26 Pensions

Defined Benefit Scheme

The charitable company operates a defined benefit scheme for the benefit of the employees With effect from 1 April 2003, following the transfer of employees from Wigan Metropolitan Borough Council to the charitable company, the employees of the charitable company have remained as members of the Greater Manchester Pension Fund

The Greater Manchester Pension Fund a final salary defined benefit scheme is administered in accordance with the Local Government Pension Scheme Regulations 1997 For the purposes of FRS 17 – Retirement Benefits it has been possible to identify the charitable company's and its subsidiary's share of the underlying assets and liabilities of the Greater Manchester Pension Fund

Pension costs are assessed in accordance with the advice of a qualified actuary

The assets of the scheme are administered by trustees in a fund independent from those of the charitable company

The last full actuarial valuation of the Greater Manchester Pension Fund Retirements Benefits Scheme at 31 March 2004 showed the market value of all assets of the scheme, including those allocated to Wigan Leisure and Culture Enterprises Limited and Wigan Leisure and Culture Trust, as £6 6 billion The next full actuarial valuation will take place at 31 March 2007

The details shown below relate to the aggregate of the underlying assets and liabilities of the Greater Manchester Pension Fund for employees of both the Wigan Leisure and Culture Trust and Wigan Leisure and Culture Enterprises Limited

For the FRS 17 Retirement Benefits valuation the major assumptions used by the actuary were

	2007 %	2006 %	2004 %
Rate of increase in salaries	4 7	4 6	4 4
Rate of increase in pensions in payment	3 2	3 1	2 9
Discount rate	5 4	4 9	5 4
Inflation	3 2	3 1	2 9

Pensions (continued)

The assets and liabilities allocated to Wigan Leisure and Culture Enterprises Limited and Wigan Leisure and Culture Trust and the expected long term rate of return were

	2007		2006		2005		2004
	Rate of return %	**Value £**	Rate of return %	Value £	Rate of return %	Value £	Rate of return %	Value £
Equities	**7 8**	**29,466,000**	7 4	25,895,000	7 7	20,883,000	7 7	19,455,000
Bonds	**4 9**	**7,025,000**	4 6	6,283,000	4 8	4,345,000	5 1	4,567,000
Property	**5 8**	**4,346,000**	5 5	3,671,000	5 7	3,122,000	6 5	2,948,000
Cash	**4 9**	**3,272,000**	4 6	3,681,000	4 8	2,498,000	4 0	1,782,000
		44,109,000		39,530,000	7 7	30,848,000		28,752,000
Present value of liabilities		**(46,697,000)**		(45,321,000)		(34,579,000)		(30,300,000)
Deficit in the scheme		**2,588,000**		(5,791,000)		(3,731,000)		(1,548,000)

If the above amounts had been recognised in the financial statements, the group net liabilities and income funds would be as follows

Net liabilities	**2007 £**	2006 £	2005 £
Net assets excluding pension liability	**1,215,710**	1,038,979	1,098,094
Net pension liability	**(2,588,000)**	(5,791,000)	(3,731,000)
Net liabilities including pension liability	**(1,372,290)**	(4,752,021)	(2,632,906)

Income Funds	**2007 £**	2006 £	2005 £
Unrestricted income funds excluding pension liability	**521,574**	290,155	509,256
Net pension liability	**(2,588,000)**	(5,791,000)	(3,731,000)
Unrestricted income funds including pension liability	**(2,066,426)**	(5,500,845)	(3,221,744)

The amount charged to net incoming resources

	2007 £	2006 £	2005 £
Current service costs	**2,384,000**	1,722,000	1,530,000
Past service costs	**6,000**	–	29,000
Curtailments and settlements	**2,000**	110,000	1 000
	2,392,000	1,832,000	1,560,000

Pensions (continued)

Other finance income compromises

	2007 £	2006 £	2005 £
Expected return on pension scheme assets	**2,630,000**	2,166,000	2,042,000
Interest on pension scheme liabilities	**(2,285,000)**	(1,924,000)	(1,721,000)
	345,000	242,000	321,000

Analysis of the actuarial loss recognised within the statement of financial activities

	2007 £	2006 £	2005 £
Actual return less expected return on pension scheme assets	**267,000**	4,972,000	1,387,000
Experience gains and losses arising on the scheme liabilities	**56,000**	67,000	(2,514,000)
Changes in financial assumptions underlying the present value of the scheme liabilities	**3,593,000**	(6,754,000)	(790,000)
	3,916,000	(1,715,000)	(1,917,000)

Movement in deficit during the year

	£
Deficit in scheme as at 1 April 2006	(5,791 000)
Current service costs	(2,384 000)
Employer contributions	1,334,000
Post service costs	(6,000)
Impact in respect of settlements and curtailments	(2,000)
Net return on assets	345 000
Actuarial losses	3,916 000
Deficit in scheme as at 31 March 2007	**(2,588,000)**

History of experience gains and losses would have been	**2007**	2006	2005
Difference between expected and actual return on the scheme assets			
Amount (£)	**267,000**	4,972,000	1,387,000
Percentage of scheme assets	**0.6%**	12 6%	4 5%
Experience gains and losses on scheme liabilities			
Amount (£)	**56,000**	67,000	(2,514,000)
Percentage of present value of scheme liabilities	**0.1%**	0 1%	(7 3%)
Total actuarial gains and losses			
Amount (£)	**3,916,000**	(1,715,000)	(1,917,000)
Percentage of present value of scheme liabilities	**8.4%**	3 8%	(5 5%)

27 Indemnity insurance

The charity has purchased insurance for the trustees and officers of the charity against liability arising for wrongful acts in relation to the charity The cost of this insurance amounted to £2,000

28 Related party transactions

The charitable company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

Management information

The following pages do not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 8 to 9