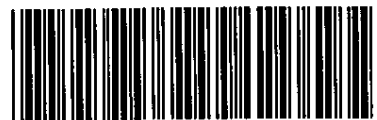


Financial statements

Wigan Leisure and Culture Trust

For the year ended 31 March 2012

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COMPANIES HOUSE

Company No. 4624607
Charity No. 1105278

Company information

Charity registration number	1105278
Company registration number	4624607
Registered office	Haigh Country Park Stables School Lane Wigan WN2 1PE
Trustees	D A Bartle B Bowen T Bradshaw G W Cross J Garlick W Hampson D A Lea D A Newman E Smethurst A Wiggans
Secretary	K P Gascoigne
Bankers	The Cooperative Bank Plc P O Box 101 1 Balloon Street Manchester M60 4EP
Solicitors	Stephensons Northgate Close Horwich Bolton BL6 6PQ
Auditor	Grant Thornton UK LLP Statutory Auditor 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 2012

Objectives and policies

The charitable company has been established for the public benefit 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 charitable company. The group consists of Wigan Leisure and Culture Trust and its 100% subsidiary, Wigan Leisure and Culture Enterprises Limited, and its indirect 100% subsidiary Proco Enterprises Limited

Charitable status

The company gained charitable status on 3 August 2004. The charitable company 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

Sub-committees include the Audit committee, Human Resources & Health and Safety, and the Finance and Performance Committee, and their members are listed below

Audit committee:

J B Baldwin (resigned 20 July 2011), T Bradshaw (appointed 16 March 2012), B Bowen (appointed 16 March 2012), W Hampson, J Garlick, R J S Lilley (resigned 17 January 2012) and G W Cross (resigned 16 March 2012)

Report of the trustees (continued)

HR and Health & Safety committee:

D A Lea, T Bradshaw, J B Baldwin (resigned 20 July 2011) and D A Bartle

Finance and performance committee:

D A Newman, W Hampson, J Garlick, G W Cross, E Smethurst and R J S Lilley (resigned 14 January 2012)

Executive Group:

S Murray (Chief Executive)

K Bardgett (Executive Director, Corporate Responsibility)

P Burt (Executive Director, Business Development)

K P Gascoigne (Executive Director, Culture and Company Secretary)

M Eden (Executive Director, Sport and Healthy Living, resigned 31 May 2012)

J A Johnson (Finance Director and Company Secretary, retired 30 June 2011)

J A Johnson retired as director and company secretary on 30 June 2011. K P Gascoigne was appointed as company secretary on 1 July 2011.

M Eden resigned on 31 May 2012.

The charitable company operates under the memorandum and articles of association as modified in November 2007 and further updated in July 2010.

Trustee training and development

Training for trustees is regularly monitored and reviewed each year. A Board appraisal exercise is undertaken by both trustees and senior 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 Group.

Strategies employed in the year

The implementation of the positive pursuit of business expansion continued during the year. A number of opportunities were identified, and a significant contract let by Cannock Chase District Council was secured in November 2011 for delivery from 1 April 2012. However the reduction in the value of the Wigan Council contract during the year also meant that in some areas of the business significant operational rationalisation was necessary.

Report of the trustees (continued)

Significant activities – achievements and performance

Significant developments during the year included the opening of the health and fitness facilities at the Wigan Life Centre and the subsequent opening of the new library at the Wigan Life Centre. During the year a major review of the library service was undertaken as a result of the reduction in value of the Wigan Council contract resulting in the closure of Beech Hill Library, and Tyldesley Pool was closed on 31 March 2012.

A significant bequest (£1,922,000) was received from the estate of the late William Higham for the specific purpose of ensuring military bands play at Mesnes Park, Wigan.

A major fire occurred at Abbey Leisure Centre, Selby, on the morning of 28 February 2012. The partnership with Selby District Council remains strong and alternative facilities have been made available for an interim period until Abbey Leisure Centre is rebuilt.

During the course of the year significant preparations were made to engage communities with the London 2012 Olympics and the Cultural Olympiad.

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 2005 and cover the activities of Wigan Leisure and Culture Trust and its trading subsidiaries Wigan Leisure and Culture Enterprises Limited and Proco 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 charitable group have decreased due in part to the actuarial pension losses (see note 28) and amount to negative £1,707,738 as at 31 March 2012 (2011 positive £3,967,479) representing unrestricted funds deficit of £4,219,527 (2011 surplus of £2,922,953), restricted funds surplus of £2,479,109 (2011 £906,526) and designated funds of £32,680 (2011 £138,000). The pension deficit is £5,143,000 as at 31 March 2012 (2011 surplus £1,848,000).

The statement of financial activities shows that there were net incoming resources before movements in the valuation of investments and the pension deficit for the charitable group for the financial year amounting to £1,833,042 (2011 outgoing £566,182).

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

- Restricted funds £2,479,109 (£906,526 as at 31 March 2011). Further information is provided in note 20 to the accounts.
- Unrestricted funds deficit £4,219,527 (£2,922,953 in surplus as at 31 March 2011) represents funds held for the day-to-day running of the charitable company. The unrestricted fund includes the pension deficit of £5,143,000 (2011 surplus £1,848,000).
- Designated funds £32,680 (£138,000 as at 31 March 2011) represents funds held for the Agresso project to enhance the financial management system.

Report of the trustees (continued)

Review of the year

The Trust met all of its social and business objectives and through a combination of proactive management and a committed workforce, limited the trading losses suffered due to the adverse economic conditions

Wigan Leisure and Culture Enterprises Limited and Proco Enterprises Limited generated a trading surplus before taxation and gift aid payments of £579,027 (2011 deficit of £289,402) and a surplus of £59,280 (2011 £103,791) respectively

It is the Trust's intention to continue to use the subsidiary undertakings for certain aspects of its trading activities

Reliance on other parties

The charitable company continues to rely heavily on national and local government policies for contract income and although the principal contract with Wigan Council was reduced in 2011/12, services were rationalised to accommodate that reduction

Future plans

The Trust continues to work closely with Wigan Council and other partners to deliver quality services, and through the local Cultural Partnership, to strengthen and develop its contribution to the quality of life of the communities that it serves

The Trust works closely with the Council's commissioning arm and has negotiated a two year extension on its contract. The Council has currently commissioned consultants to advise on its future strategy for leisure and cultural services, and the Trust remains engaged in that process

During 2012/13 the Trust will commence operations in partnership with Cannock Chase District Council and, in addition, the Trust will continue to tender for contracts with new partners both inside and outside Wigan

Reserves

The charitable company's agreement with Wigan Council confirms that for any year the Council, in determining its level of funding, will disregard any accumulated surpluses and general reserves in the charitable 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 reserves policy and in accordance with it, the charitable company has resolved to maximise (without setting a specific target amount) 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 at 31 March 2012 is £3,435,262 (2011 £2,119,479)

Report of the trustees (continued)

Investment policy

Bearing in mind the charitable company's commitment to effective stewardship of resources, the Trust has endorsed an investment policy that allows for £1,500,000 to be invested in structured products with the balance of resources being invested in Public Sector Reserve accounts. Structured products are traded on the markets but guarantee to various degrees, a return of capital invested. However under the SORP, these investments are valued at market price rather than capital value, and on that basis a loss on revaluation has been recorded for 2011/12.

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".

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 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 failure to secure a long term relationship with Wigan Council. Currently the fees paid to the Trust, the Community Services Fee, amounts to 44% (2011: 47%) of total income and therefore its loss could lead to closure of the organisation. However the current funding agreement runs until March 2015 and during that time, in order to mitigate that risk, the Trust is committed to expanding its funding base.

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 within the organisation a "Risk and Compliance" section has been established to support this area of work.

Report of the trustees (continued)

Public benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning the future activities of the Trust. The Trust carries out its public benefit objectives by

- Not restricting access to its services to any member of the public, irrespective of their place of residence
- Providing free access to the museums that it operates, for example the Museum of Wigan Life
- Providing free swimming to those over 65 at all times and those under sixteen during the school holidays at facilities in Wigan and giving access to all leisure facilities at tariffs that are lower than commercial market tariffs
- Providing free access to weight management and other health related services
- Providing free access to library services
- Maintaining parks and other open spaces that are open free of charge to the public

Of particular relevance to these objectives, a number of projects were undertaken in 2011/12 including

- The opening of the new swimming pool and fitness facilities at the Wigan Life Centre in August 2011
- The opening of the new Wigan Library as part of the Wigan Life Centre in January 2012
- Devoting further resources to the restoration work at Mesnes Park, Wigan, with the ultimate intention of significantly improving the park for the benefit of the people of the Borough

Corporate responsibility

As a charity the Trust is obliged and committed to providing public benefit. However it is also aware of its wider corporate responsibilities and therefore

- Has committed resources to reduce energy consumption through the installation of pool covers, the introduction of CHP units and the purchase of sophisticated energy usage monitoring software
- Has developed a scheme for the recycling of green waste in its parks and open spaces
- Working with partners to introduce apprenticeships in various parts of the Trust

Going concern

After making enquiries, the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements. Further information is given in the accounting policies (page 13)

Report of the trustees (continued)

Trustees

The Trustees (who are directors of Wigan Leisure and Culture Trust for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and regulations. Those that served during the year ended 31 March 2012 were

J B Baldwin (resigned 20 July 2011)
D A Bartle
B Bowen (appointed 14 September 2011)
T Bradshaw
G W Cross
J Garlick
W Hampson
D A Lea
R J S Lilley (resigned 14 January 2012)
D A Newman
E Smethurst
A Wiggins

The Trustees have no beneficial interest in the charitable company

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of Wigan Leisure & Culture Trust for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and applicable of resources, including the income and expenditure, of the group 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
- 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 group will continue in business

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

Report of the trustees (continued)

Trustees' responsibilities for the financial statements (continued)

In so far as the trustees are aware

- there is no relevant audit information of which the charitable 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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD OF TRUSTEES

A handwritten signature in black ink, appearing to read 'D A Lea'.

D A Lea - Trustee
16 November 2012



Report of the independent auditor 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 2012 which comprise principal accounting policies, the consolidated statement of financial activities (incorporating the consolidated income and expenditure account), the consolidated and charitable company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006.

Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the 'Trustees' Responsibilities Statement set out on pages 9 and 10, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the 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.

Report of the independent auditor to the members of Wigan Leisure and Culture Trust (continued)

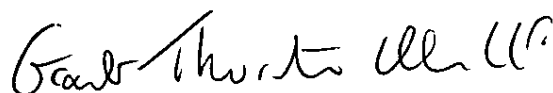
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Tobias Wilson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
12 December 2012

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except that they have been modified to include the revaluation of listed fixed asset investments, in accordance with United Kingdom Generally Accepted Accounting Practice 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 group

Going concern

The financial statements have been prepared on a going concern basis, which principally assumes that the Trust will continue to receive contracted financial income from Wigan Council. Wigan Council are contracted to use the Trust's services until 2015 by which date the contract will be reviewed

The Trustees and management are aware of the potential impact of further national and local government spending reviews on the Trust and its trading subsidiaries. A reduction in the value of the Wigan contract was accommodated in 2011/12 with minimal impact on service provision and within the context of an aggregate trading surplus. Plans are already well developed to accommodate similar reductions in future years and these plans and the overall position are regularly reviewed by the Trustees and management

On this basis, and with due consideration given to the long-term pension funding requirement (appropriate consideration being given to expected contribution levels over the next 12 months), the Trustees consider it appropriate to prepare the financial statements on a going concern basis

Basis of consolidation

The group financial statements consolidate those of the charitable company and its subsidiary undertakings drawn up to 31 March 2012, using acquisition accounting

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

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

Grants receivable and local authority fees

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 precondition has been met

Principal accounting policies

Charitable trading income

Charitable trading income represents amounts receivable by the group for services provided aligned with the group'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 group which relate to the general running of the group 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 charitable 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 6 to the accounts.

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

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 group.

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

Goodwill

Goodwill arising on acquisitions is the difference between the fair value of the purchase consideration and the fair value of the charitable group's share of the identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is capitalised and classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that its carrying value may not be recoverable.

Principal accounting policies

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 Council and Selby District Council. It is not practicably possible to attribute a value to this benefit.

Tangible fixed assets and depreciation

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

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

Plant and equipment	– 10-50% straight line
Computer equipment and software	– 10-25% straight line
Leasehold improvements	– between 10 and 15 years straight line

Investments

Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations throughout the year.

Movements in value arising from investment changes or revaluation and the profit on disposal of investments have been charged or credited to the funds to which they relate.

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.

Principal accounting policies

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 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 group.

The current and past service costs and costs from settlements and curtailments are included within charitable activities. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported separately in the statement of financial activities.

In relation to the Greater Manchester Pension Fund, the share of the fund's underlying assets and liabilities relating to this group cannot be separately identified on a consistent and reasonable basis between the employees of each of the companies within the Wigan Leisure and Culture Trust group. Therefore, the pension scheme is only accounted for on a consolidated basis.

In relation to the North Yorkshire Pension Fund, it has been possible to identify the charitable company's share of the underlying assets and liabilities of the North Yorkshire Pension Fund. Therefore the pension scheme is accounted for on both an individual charitable company and consolidated basis.

Corporation tax

The charitable parent company is exempt from taxation. The subsidiary undertakings are subject to taxation and the current tax charge is based on the profit for the year.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Consolidated statement of financial activities (including the consolidated income and expenditure account)

	Note	Unrestricted funds £	Designated funds £	Restricted funds	Total 2012 £	Total 2011 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Activities for generating funds	1	4,823,841	-	-	4,823,841	4,672,008
Investment income	2	140,593	-	-	140,593	87,147
Voluntary income	1	-	-	1,922,000	1,922,000	-
Incoming resources from charitable activities						
Community service fees from Wigan Council		14,299,084	-	463,040	14,762,124	16,149,269
Corporate support		25,281	-	4,940	30,221	1,191,814
Environmental management and sustainability		1,165,294	-	4,508	1,169,802	2,595,901
Libraries, heritage and the arts		693,246	-	76,468	769,714	916,286
Business change		1,205,228	-	4,167	1,209,395	332,064
Sports and healthy living		8,460,375	-	353,155	8,813,530	8,347,998
Total incoming resources		30,812,952	-	2,828,278	33,641,230	34,292,487
RESOURCES EXPENDED						
Cost of generating funds	4	4,187,266	-	-	4,187,266	4,859,353
Charitable activities						
Corporate support		3,342,850	-	-	3,342,850	5,003,097
Environmental management and sustainability		5,693,490	-	36,570	5,730,060	7,011,467
Libraries, heritage and the arts		4,547,315	35,000	578,383	5,160,698	5,649,904
Business change		2,638,852	70,320	1,674	2,710,846	1,031,824
Sports and healthy living		10,561,891	-	292,068	10,853,959	10,047,241
Pension scheme operating charge	28	286,000	-	-	286,000	593,000
Other pension finance costs	28	(686,000)	-	-	(686,000)	385,000
	5	<u>26,384,398</u>	<u>105,320</u>	<u>908,695</u>	<u>27,398,413</u>	<u>29,721,533</u>
Governance costs	6	222,509	-	-	222,509	305,765
Charitable activity expenditure and governance costs	7	26,606,907	105,320	908,695	27,620,922	30,027,298
Taxation	10	-	-	-	-	(27,982)
Total resources expended	8	30,794,173	105,320	908,695	31,808,188	34,858,669
Net income/(expenditure) for the year		18,779	(105,320)	1,919,583	1,833,042	(566,182)
Losses and gains on revaluation and disposal of investment assets	14	(117,259)	-	-	(117,259)	(42,448)
Actuarial (loss)/gain on defined benefit scheme	28	(7,391,000)	-	-	(7,391,000)	27,593,000
Transfers between funds	20	<u>347,000</u>	<u>-</u>	<u>(347,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(7,142,480)	(105,320)	1,572,583	(5,675,217)	26,984,370
Total funds brought forward		2,922,953	138,000	906,526	3,967,479	(23,016,891)
Total funds carried forward	20	(4,219,527)	32,680	2,479,109	(1,707,738)	3,967,479

The financial activities above include £29,137,982 (2011 £29,620,479) of incoming resources and £27,768,185 (2011 £29,110,746) outgoing resources relating to the charitable company

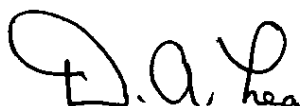
The results relate wholly to continuing activities

The accompanying notes form part of these financial statements.

Consolidated balance sheet

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	12	9,670	11,402
Tangible fixed assets	13	2,940,320	2,587,875
Investments	14	<u>1,510,646</u>	<u>1,502,397</u>
		4,460,636	4,101,674
Current assets			
Stocks	15	105,437	124,284
Debtors	16	4,542,481	2,509,519
Cash at bank and in hand		<u>258,203</u>	<u>818,362</u>
		4,906,121	3,452,165
Creditors: amounts falling due within one year	17	<u>(5,513,346)</u>	<u>(5,114,788)</u>
Net current liabilities		<u>(607,225)</u>	<u>(1,662,623)</u>
Total assets less current liabilities		3,853,411	2,439,051
Creditors . amounts falling due after more than one year	18	<u>(418,149)</u>	<u>(319,572)</u>
Net assets excluding pension asset/liability		3,435,262	2,119,479
Defined benefit pension scheme (liability)/asset	28	<u>(5,143,000)</u>	<u>1,848,000</u>
Net (liabilities)/assets		<u>(1,707,738)</u>	<u>3,967,479</u>
Income funds			
Restricted funds	20	2,479,109	906,526
Unrestricted funds	20		
Designated funds		32,680	138,000
General unrestricted funds		923,473	1,074,953
Pension reserve funds		<u>(5,143,000)</u>	<u>1,848,000</u>
Total (debt)/funds		<u>(1,707,738)</u>	<u>3,967,479</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16 November 2012 and signed on their behalf by

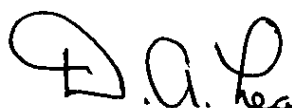


D A Lea
Trustee

Charitable company balance sheet

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	13	2,933,329	2,585,077
Investments	14	1,510,647	1,502,398
		<u>4,443,976</u>	<u>4,087,475</u>
Current assets			
Stocks	15	87,559	95,074
Debtors	16	4,318,241	2,522,824
Cash at bank and in hand		-	568,219
		<u>4,405,800</u>	<u>3,186,117</u>
Creditors: amounts falling due within one year	17	<u>(5,059,692)</u>	<u>(4,582,441)</u>
Net current liabilities		(653,892)	(1,396,324)
Creditors: amounts falling due after more than one year	18	<u>(408,983)</u>	<u>(309,847)</u>
Net assets excluding pension asset		3,381,101	2,381,304
Defined benefit pension scheme asset	28	705,000	335,000
Net assets		<u>4,086,101</u>	<u>2,716,304</u>
Income funds			
Restricted funds	20	2,479,109	906,526
Unrestricted funds	20		
Designated funds		32,680	138,000
General unrestricted funds		869,312	1,336,778
Pension reserve funds		705,000	335,000
Total funds		<u>4,086,101</u>	<u>2,716,304</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16 November 2012 and signed on their behalf by



D A Lea
Trustee

The accompanying notes form part of these financial statements.

Consolidated cash flow statement

	Note	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	22	65,133	(287,895)
Returns on investments and servicing of finance			
Investment income		140,593	87,147
Net cash inflow from returns on investments and servicing of finance		140,593	87,147
Taxation		-	(4,335)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(665,044)	(833,317)
Proceeds from sale of fixed assets		196,829	-
Purchase of investments		(125,508)	(87,147)
Net cash outflow from capital expenditure and financial investment		(593,723)	(920,464)
Financing			
Capital element of finance lease rentals		(172,162)	(105,398)
Decrease in cash	23	(560,159)	(1,230,945)

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 Activities for generating funds - Group

Incoming resources from activities for generating funds are

	Unrestricted £	Designated £	Restricted £	2012 £	2011 £
Activities for generating funds					
Operations of trading subsidiaries	4,823,841	-	-	4,823,841	4,672,008
Legacy receivable	-	-	1,922,000	1,922,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

2 Investment income - Group

	Unrestricted £	Designated £	Restricted £	2012 £	2011 £
Investment income comprises					
Bank interest receivable	15,085	-	-	15,085	-
Investment portfolio income	125,508	-	-	125,508	87,417
	<u>140,593</u>	<u>-</u>	<u>-</u>	<u>140,593</u>	<u>87,147</u>

3 Operations of trading subsidiaries

	Proco Enterprises Limited		Wigan Leisure and Culture Enterprises Limited	
	2012 £	2011 £	2012 £	2011 £
A summary of the results of the trading subsidiaries is set out below				
Turnover	449,924	503,461	4,373,917	4,168,547
Other operating income and charges	(390,644)	(399,670)	(3,794,890)	(4,457,949)
Operating surplus/(deficit)	59,280	103,791	579,027	(289,402)
Payment under Gift Aid	(59,280)	(102,140)	(261,313)	-
Tax on surplus/(deficit) on ordinary activities	-	-	-	27,982
Surplus/(deficit) for the year	<u>-</u>	<u>1,651</u>	<u>317,714</u>	<u>(261,420)</u>
	2012 £	2011 £	2012 £	2011 £
The net assets and liabilities of the subsidiaries were				
Fixed assets	-	-	23,992	19,798
Current assets	117,119	207,875	1,041,171	887,409
Creditors amounts falling due within one year	(117,117)	(207,873)	(994,508)	(1,153,707)
Net current assets/(liabilities)	<u>2</u>	<u>2</u>	<u>46,663</u>	<u>(266,298)</u>
Creditors amounts falling due in greater than a year	-	-	(9,166)	(9,725)
Net assets/(liabilities)	<u>2</u>	<u>2</u>	<u>61,489</u>	<u>(256,225)</u>
Aggregate share capital and reserves	<u>2</u>	<u>2</u>	<u>61,489</u>	<u>(256,225)</u>

Notes to the financial statements

4 Costs of generating funds - Group

	2012 £	2011 £
Unrestricted funds		
Staff costs and allowances	2,669,892	2,469,750
Establishment expenses	225,609	335,356
Transport expenses	444,480	369,096
Supplier, services and other expenses	722,073	1,244,398
Agency and contracted services	93,911	210,386
General expenses	31,301	127,112
Support services	-	103,255
	4,187,266	4,859,353

5 Charitable activities - Group

	Unrestricted direct costs £	Unrestricted support costs £	Total unrestricted costs £	Designated direct costs £	Restricted direct costs £	Total 2012 £	Total 2011 £
Corporate support	2,976,456	366,394	3,342,850	-	-	3,342,850	5,003,097
Environmental management and sustainability	4,350,045	1,343,445	5,693,490	-	36,570	5,730,060	7,011,467
Libraries, heritage and the Arts	3,790,101	757,214	4,547,315	35,000	578,383	5,160,698	5,649,904
Business change	2,533,005	105,847	2,638,852	70,320	1,674	2,710,846	1,031,824
Sports and healthy living	8,819,484	1,742,407	10,561,891	-	292,068	10,853,959	10,047,241
Pension scheme operating charge	286,000	-	286,000	-	-	286,000	593,000
Other pension finance costs	(686,000)	-	(686,000)	-	-	(686,000)	385,000
Total expenditure for charitable activities	22,069,091	4,315,307	26,384,398	105,320	908,695	27,398,413	29,721,533

The note shows how support costs are split between charitable activity reporting lines. For further analysis of unrestricted support costs see note 6. See note 28 for further details concerning pension costs.

Notes to the financial statements

6 Analysis of support costs - Group

	Management £	HR £	Finance £	Marketing £	IT £	Admin £	Building £	Other £	Total 2012 £	Total 2011 £
Corporate support	54,783	32,809	69,340	34,348	48,138	69,989	33,138	23,849	366,394	365,406
Environmental management and sustainability	200,871	120,300	254,245	125,942	176,507	256,628	121,505	87,447	1,343,445	1,394,682
Libraries, heritage and the Arts	113,218	67,805	143,302	70,985	99,486	144,645	68,485	49,288	757,214	1,006,744
Business change	15,826	9,478	20,031	9,923	13,907	20,219	9,573	6,890	105,847	303,689
Sports and healthy living	260,524	156,025	329,748	163,343	228,924	332,838	157,588	113,417	1,742,407	1,273,468
Total support costs	645,222	386,417	816,666	404,541	566,962	824,319	390,289	280,891	4,315,307	4,343,989

Cost allocation includes an element of judgement and the charitable company 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

	2012 £	2011 £
Internal audit	21,114	14,500
External auditors fee		
audit services	22,400	25,200
non-audit services	1,500	-
Other Governance related costs	177,495	266,065
	222,509	305,765

7 Direct charitable expenditure - Group

	Unrestricted funds £	Designated £	Restricted funds £	Total 2012 £	Total 2011 £
Staff costs and allowances	16,963,995	-	-	16,963,995	17,714,404
Establishment expenses	2,795,456	-	-	2,795,456	2,807,843
Transport expenses	821,272	-	-	821,272	1,108,808
Supplier, services and other expenses	3,983,756	105,320	908,695	4,997,771	3,636,696
Agency and contracted services	1,159,700	-	-	1,159,700	1,403,359
General expenses	526,475	-	-	526,475	1,472,189
Support services	756,253	-	-	756,253	905,999
Pension scheme FRS 17 operating charge (note 28)	286,000	-	-	286,000	593,000
Other FRS 17 pension finance costs (note 28)	(686,000)	-	-	(686,000)	385,000
	26,606,907	105,320	908,695	27,620,922	30,027,298

Notes to the financial statements

8 Analysis of resources expended - Group

	Staff costs £	Other £	Total 2012 £	Total 2011 £
Costs of generating funds	2,669,892	1,517,374	4,187,266	4,859,353
Charitable activities				
Corporate support	2,066,264	1,276,586	3,342,850	5,003,097
Environmental management and sustainability	5,068,300	661,760	5,730,060	7,011,467
Libraries, heritage and the Arts	2,856,678	2,304,020	5,160,698	5,649,904
Business change	399,321	2,311,525	2,710,846	1,031,824
Sports and healthy living	6,357,914	4,496,045	10,853,959	10,047,241
Pension scheme operating charge	286,000	-	286,000	593,000
Other pension finance costs	(686,000)	-	(686,000)	385,000
	<u>19,018,369</u>	<u>12,567,310</u>	<u>31,585,679</u>	<u>29,721,533</u>
Governance costs	64,937	157,572	222,509	305,765
Taxation	-	-	-	(27,982)
	<u>19,083,306</u>	<u>12,724,882</u>	<u>31,808,188</u>	<u>34,858,669</u>

The above costs include

	2012 £	2011 £
Fees payable to the charitable group's auditor for the audit of the group annual financial statements	22,400	25,200
Non-audit services		
Taxation services	1,500	-
Operating lease rentals		
Vehicles and equipment	91,945	91,945
Depreciation		
Owned assets	317,121	285,889
Assets held under finance leases	<u>140,307</u>	<u>32,965</u>

9 Trustees and employees

Staff costs during the year were as follows

	Group 2012 £	Charitable company 2012 £	Group 2011 £	Charitable company 2011 £
Wages and salaries	15,686,467	13,425,870	16,395,130	14,277,704
Social security costs	959,797	819,114	1,075,085	940,372
Pension costs	2,437,042	1,642,430	2,948,011	2,756,335
	<u>19,083,306</u>	<u>15,887,414</u>	<u>20,418,226</u>	<u>17,974,411</u>

Notes to the financial statements

9 Trustees and employees (continued)

Group

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

	2012 Number	2011 Number
Business change	171	66
Corporate support	43	36
Environmental management and sustainability	-	220
Selby	57	59
Libraries, heritage and the arts	128	227
Sports and healthy living	236	184
Executive management team	6	8
	641	800

The number of full time equivalents was

	2012 Number	2011 Number
Business change	166	60
Corporate support	40	34
Environmental management and sustainability	-	214
Selby	31	33
Libraries, heritage and the Arts	93	154
Sports and healthy living	195	162
Executive management team	6	8
	531	665

The group and the charitable company

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

	2012 £	2011 £
£60,001 - £70,000	4	5
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1

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

	2012 £	2011 £
Pension contributions to defined benefit schemes	60,777	73,943

Notes to the financial statements

9 Trustees and employees (continued)

The group and the charitable company

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

£3,692 (2011 £7,079) of expenses were paid to 9 (2011 9) trustees during the year All expenses related to travel and subsistence

10 Tax on net incoming resources

Charitable company

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

Group

The taxation (credit)/charge is based on the profit for the period and represents tax on the trading activities of the two trading subsidiaries as follows

	2012 £	2011 £
UK Corporation tax at 21% (2011 21%)	-	-
Deferred tax (see note 19)	-	(27,982)
	<u>-</u>	<u>(27,982)</u>

Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the United Kingdom of 21% (2011 21%) The differences are explained as follows

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation and payment under gift aid for Wigan Leisure and Culture Enterprises Limited and Proco Enterprises Limited	<u>638,307</u>	<u>(185,611)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 21% (2011 21%)	134,044	(38,978)
Effect of		
Gift aid relief	(67,325)	(21,449)
Differences between capital allowances and depreciation	(5,394)	2,976
Losses (utilised)/carried forward	<u>(61,325)</u>	<u>57,451</u>
	<u>-</u>	<u>-</u>

Taxable losses of £Nil (2011 £273,000) are carried forward to set off against future taxable profits

Notes to the financial statements

11 Excess of income over expenditure

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The excess of income over expenditure for the year was £1,369,797 (2011 £695,873) which is dealt with in the financial statements of the charitable company.

12 Intangible fixed assets

Group

	Goodwill £
Cost	
At 1 April 2011 and at 31 March 2012	17,320
Amortisation	
At 1 April 2011	5,918
Provided in the year	1,732
At 31 March 2012	7,650
Net book value	
At 31 March 2012	9,670
Net book value	
At 31 March 2011	11,402

13 Tangible fixed assets

Group

	Leasehold improvements £	Plant and equipment £	Computer equipment and software £	Total £
Cost				
At 1 April 2011	1,894,248	976,432	520,662	3,391,342
Additions	106,960	833,977	65,766	1,006,703
Disposals	-	(276,649)	(6,962)	(283,611)
At 31 March 2012	2,001,208	1,533,760	579,466	4,114,434
Depreciation				
At 1 April 2011	195,775	311,633	296,060	803,468
Charge for the year	160,261	207,433	89,734	457,428
On disposals	-	(84,316)	(2,466)	(86,782)
At 31 March 2012	356,036	434,750	383,328	1,174,114
Net book amount				
At 31 March 2012	1,645,172	1,099,010	196,138	2,940,320
Net book amount				
At 31 March 2011	1,698,473	664,800	224,602	2,587,875

Notes to the financial statements

13 Tangible fixed assets (continued)

The charitable company

	Leasehold improvements £	Plant and equipment £	Computer equipment and software £	Total £
Cost				
At 1 April 2011	1,894,248	840,956	520,662	3,255,866
Additions	106,960	825,585	65,766	998,311
Disposals	-	(276,649)	(6,962)	(283,611)
At 31 March 2012	<u>2,001,208</u>	<u>1,389,892</u>	<u>579,466</u>	<u>3,970,566</u>
Depreciation				
At 1 April 2011	195,775	178,953	296,060	670,788
Charge for the year	160,261	203,237	89,734	453,232
Eliminated on disposal	-	(84,317)	(2,466)	(86,783)
At 31 March 2012	<u>356,036</u>	<u>297,873</u>	<u>383,328</u>	<u>1,037,237</u>
Net book amount				
At 31 March 2012	<u>1,645,172</u>	<u>1,092,019</u>	<u>196,138</u>	<u>2,933,329</u>
Net book amount				
At 31 March 2011	<u>1,698,472</u>	<u>662,003</u>	<u>224,602</u>	<u>2,585,077</u>

Included above for the group and the charitable company are assets held via finance leases. The net book amount is £920,364 (2011 £484,833) and the depreciation charged for the year is £140,307 (2011 £32,965).

14 Investments

Total fixed asset investments comprise

	2012 £	Group 2011 £	Charitable company 2012 £	2011 £
Listed investments (a)	1,510,646	1,502,397	1,510,646	1,502,397
Other fixed asset investments (b)	-	-	1	1
	<u>1,510,646</u>	<u>1,502,397</u>	<u>1,510,647</u>	<u>1,502,398</u>

(a) Listed investments

The group and the charitable company

	2012 £	2011 £
Market value at 1 April	1,502,397	1,457,698
Investment income	125,508	87,147
Unrealised losses on revaluation	(117,259)	(42,448)
Market value at 31 March	<u>1,510,646</u>	<u>1,502,397</u>

Listed investments are stated at their mid-market value as at the balance sheet date.

Notes to the financial statements

14 Investments (continued)

The investments listed on a recognised stock exchange are as follows

	2012	2011
	£	£
Cash balances	42,217	21,414
Fixed interest	539,124	415,123
Index linked	86,682	114,627
Cash funds	-	111,430
Investment funds	29,105	31,184
Unit trusts	306,492	445,919
Equities	401,934	280,084
Commodities	56,475	30,255
Hedge funds	48,617	52,361
	<u>1,510,646</u>	<u>1,502,397</u>

The investments are managed within a portfolio held with Deutsche Bank Private Wealth Management in the United Kingdom. The historic cost of individual investments is £1,485,000.

Investments forming more than 5% of the value of the investment portfolio are as follows

	Valuation	
	2012	2011
	£	£
Merrill Lynch 22C UK Capital protected	189,000	193,000
Merrill Lynch 22B European Capital Protected	193,500	175,225
Citi Group Emerging markets Protected	-	132,000
M&G Securities Limited Corporate Bond	138,307	129,033
Franklin Templeton Global EBC Bond	132,750	117,500
JP Morgan AM Europe	-	111,430
AXA Investment Management US Bond	-	103,500
Munich Funds SHT Dur High Yield	<u>129,972</u>	<u>-</u>

(b) Other fixed asset investments

The charitable company

	2012	2011
	£	£
Investment in subsidiary	<u>1</u>	<u>1</u>

Notes to the financial statements

14 Investments (continued)

In addition to the above investments, the charitable company had the following subsidiary undertakings (both of which are incorporated in England) as at 31 March 2012

Name of subsidiary	Class of share capital held	Proportion held by parent company	Proportion held by subsidiary company	Nature of business
Wigan Leisure and Culture Enterprises Limited	Ordinary shares of £1 each	100%	-	Provider of leisure facilities
Proco Enterprises Limited	Ordinary shares of £1 each	-	100%	Provision of maintenance, garden design and fencing services

15 Stocks

	2012 £	Group 2011 £	Charitable company 2012 £	2011 £
Raw materials and consumables	60,631	69,622	60,631	69,622
Finished goods and goods for resale	44,806	54,662	26,928	25,452
	<u>105,437</u>	<u>124,284</u>	<u>87,559</u>	<u>95,074</u>

16 Debtors

	2012 £	Group 2011 £	Charitable company 2012 £	2011 £
Trade debtors	1,203,684	994,996	403,069	672,834
Amounts owed by group undertakings	-	-	461,539	773,372
Amounts owed by Wigan Council	470,623	857,106	470,623	478,175
Other debtors	244,945	19,503	467,771	7,004
Legacy receivable	1,922,000	-	1,922,000	-
Deferred tax asset (note 19)	40,515	40,515	-	-
Prepayments and accrued income	660,714	597,399	593,239	591,439
	<u>4,542,481</u>	<u>2,509,519</u>	<u>4,318,241</u>	<u>2,522,824</u>

Notes to the financial statements

17 Creditors : amounts falling due within one year

	2012 £	Group 2011 £	Charitable company 2012 £	2011 £
Bank overdraft	-	-	196,430	-
Trade creditors	1,503,551	1,475,787	1,257,205	1,207,488
Amounts owed to Wigan Council	815,773	1,525,439	815,773	1,403,045
Other creditors	17,847	49,302	13,385	30,265
Other taxation and social security	660,297	922,241	660,297	922,241
Accruals and deferred income	2,342,965	1,039,467	1,943,689	916,850
Finance lease creditors	172,913	102,552	172,913	102,552
	<u>5,513,346</u>	<u>5,114,788</u>	<u>5,059,692</u>	<u>4,582,441</u>

18 Creditors : amounts falling due after more than one year

	2012 £	Group 2011 £	Charitable company 2012 £	2011 £
Deferred income	9,166	9,725	-	-
Finance lease creditors	408,983	309,847	408,983	309,487
	<u>418,149</u>	<u>319,572</u>	<u>408,983</u>	<u>309,847</u>

19 Deferred taxation - Group

The amount of deferred taxation, all of which is provided as a deferred tax asset, is as follows

	2012 £	2011 £
Accelerated capital allowances	40,515	15,515
Losses carried forward	-	25,000
	<u>40,515</u>	<u>40,515</u>
Deferred tax asset	2012 £	2011 £
At 1 April 2011	40,515	12,533
Credit to Statement of Financial Activities	-	27,982
At 31 March 2012	<u>40,515</u>	<u>40,515</u>

Notes to the financial statements

20 Income funds and reserves

Group

	Balance at 31 March 2011 £	Incoming £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 March 2012 £
Restricted						
Minimum reserve funding	347,000	-	-	(347,000)	-	-
Bowling development fund	24,240	4,940	(16,070)	-	-	13,110
Wigan Pier Engine Fund	30,971	10,000	-	-	-	40,971
Sports and healthy living Libraries, Heritage and the Arts	120,739	321,155	(229,659)	-	-	212,235
Environmental Management and sustainability	6,909	66,468	(54,308)	-	-	19,069
Business change	15,992	4,508	(20,500)	-	-	-
Jazz	10,012	4,167	(1,674)	-	-	12,505
Leigh Sports Village	20,366	-	(20,000)	-	-	366
Greater Manchester Arts	96,000	32,000	-	-	-	128,000
Wigan Pier Engine House	108,922	463,040	(487,325)	-	-	84,637
Heritage Lottery Fund	42,966	-	-	-	-	42,966
PCT Funding	20,000	-	(16,750)	-	-	3,250
Highams bequest	62,409	-	(62,409)	-	-	-
	-	1,922,000	-	-	-	1,922,000
	906,526	2,828,278	(908,695)	(347,000)	-	2,479,109
Unrestricted						
Designated funds -						
Agresso	70,000	-	(37,320)	-	-	32,680
Wigan Library	35,000	-	(35,000)	-	-	-
Parks Bowling Pavilion	33,000	-	(33,000)	-	-	-
	138,000	-	(105,320)	-	-	32,680
General unrestricted funds	1,074,953	30,812,952	(31,194,173)	347,000	(117,259)	923,473
Pension reserve	1,848,000	-	400,000	-	(7,391,000)	(5,143,000)
	3,967,479	33,641,230	(31,808,188)	-	(7,508,259)	(1,707,738)

Notes to the financial statements

20 Income funds and reserves (continued)

The charitable company

	Balance at 31 March 2011 £	Incoming £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 March 2012 £
Restricted						
Minimum reserve funding	347,000	-	-	(347,000)	-	-
Bowling development fund	24,240	4,940	(16,070)	-	-	13,110
Wigan Pier Engine fund	30,971	10,000	-	-	-	40,971
Sports and healthy living	120,739	321,155	(229,659)	-	-	212,235
Libraries, Heritage and the Arts	6,909	66,468	(54,308)	-	-	19,069
Environmental Management and sustainability	15,992	4,508	(20,500)	-	-	-
Business change	10,012	4,167	(1,674)	-	-	12,505
Jazz	20,366	-	(20,000)	-	-	366
Leigh Sports Village	96,000	32,000	-	-	-	128,000
Greater Manchester Arts	108,922	463,040	(487,325)	-	-	84,637
Wigan Pier Engine House	42,966	-	-	-	-	42,966
Heritage Lottery Fund	20,000	-	(16,750)	-	-	3,250
PCT Funding	62,409	-	(62,409)	-	-	-
Highams bequest	-	1,922,000	-	-	-	1,922,000
	<u>906,526</u>	<u>2,828,278</u>	<u>(908,695)</u>	<u>(347,000)</u>	<u>-</u>	<u>2,479,109</u>
Unrestricted						
Designated funds Agresso	70,000	-	(37,320)	-	-	32,680
Wigan Library	35,000	-	(35,000)	-	-	-
Parks Bowling Pavilion	33,000	-	(33,000)	-	-	-
	<u>138,000</u>	<u>-</u>	<u>(105,320)</u>	<u>-</u>	<u>-</u>	<u>32,680</u>
Pension reserve fund	335,000	-	17,000	-	353,000	705,000
General unrestricted funds	1,336,778	26,309,704	(27,124,170)	347,000	-	869,312
	<u>2,716,304</u>	<u>29,137,982</u>	<u>(28,121,185)</u>	<u>-</u>	<u>353,000</u>	<u>4,086,101</u>

Notes to the financial statements

20 Income funds and reserves (continued)

Restricted funds

During the year ended 31 March 2004, the charitable 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. The fund has been utilised during the current year.

Bowling development fund - Funding from the Council out of which to meet the ongoing costs of bowling green maintenance.

Wigan Pier Engine Fund - A sinking fund provided by the Council out of which is met the cost of repairs to the engine.

Sports and healthy living - Predominantly Active Living projects funded by the PCT and other external funding bodies to provide wellbeing activities such as the appointment of sports coaches and the development of community healthcare projects.

Libraries, Heritage and Arts - Funding from external funding bodies for a number of projects including the delivery of ICT basics courses and the Cultural Partnership.

Environmental management and sustainability - Funding for Grounds Maintenance apprenticeships from Wigan Council to support the setup of an apprenticeship scheme.

Business change - principally funding for youth and community development projects.

The Jazz fund was established for the Wigan International Jazz Festival.

Leigh Sports Village fund was established for the Leigh Sports Village contract which began in 2009/2010.

Greater Manchester Arts - The trust is acting as the accountable body for the Greater Manchester Strategic Arts Fund and is responsible for the monitoring and managing of the fund and allocating of the AGMA grant funding to the relevant bodies.

Wigan Pier Engine House - Remaining balance of the funding from Wigan Council for the running of the Engine House.

Heritage Lottery Fund - Remaining balance of the funding from Heritage Lottery for the provision of exhibitions in the Museum of Wigan Life.

PCT funding - Remaining balance of the funding from the PCT for the running of various Sports and Healthy Living projects.

Highams Bequest - Bequest to be invested and income is to be used for the playing of military bands (Royal Air Force, Royal Marines, Army, etc) in Mesnes Park.

Notes to the financial statements

20 Income funds and reserves (continued)

Designated funds

Agresso fund was established for the remaining provision of the Agresso implementation. Agresso is the computerised finance system which is used by the group.

21 Analysis of net assets between funds

Group

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	9,670	-	-	9,670
Tangible fixed assets	2,940,320	-	-	2,940,320
Investments	1,510,646	-	-	1,510,646
Current assets	2,394,332	32,680	2,479,109	4,906,121
Current liabilities	(5,513,346)	-	-	(5,513,346)
Creditors due in greater than one year	(418,149)	-	-	(418,149)
Pension scheme liability	(5,143,000)	-	-	(5,143,000)
Total net liabilities	<u>(4,219,527)</u>	<u>32,680</u>	<u>2,479,109</u>	<u>(1,707,738)</u>

The charitable company

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,933,329	-	-	2,933,329
Investments	1,510,647	-	-	1,510,647
Current assets	1,894,011	32,680	2,479,109	4,405,800
Current liabilities	(5,059,692)	-	-	(5,059,692)
Creditors due in greater than one year	(408,983)	-	-	(408,983)
Pension scheme asset	705,000	-	-	705,000
Total net assets	<u>1,574,312</u>	<u>32,680</u>	<u>2,479,109</u>	<u>4,086,101</u>

Notes to the financial statements

22 Net cash inflow/(outflow) from operating activities

	2012 £	2011 £
Net incoming/(outgoing) resources before taxation (excluding investment income)	1,692,449	(681,311)
Depreciation	457,428	318,854
Amortisation	1,732	1,732
Decrease in stocks	18,847	28,901
(Increase)/decrease in debtors	(2,032,962)	1,027,343
Increase/(decrease) in creditors	327,639	(1,961,414)
(Decrease)/increase in pension liability	(400,000)	978,000
Net cash inflow/(outflow) from operating activities	<u>65,133</u>	<u>(287,895)</u>

23 Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
(Decrease)/increase in cash in the year	(560,159)	(1,230,945)
Cash outflow in respect of finance leases	172,162	105,398
Inception of finance leases	(341,659)	(517,797)
Net funds at 31 March 2011	<u>405,963</u>	<u>2,049,307</u>
Net (debt)/funds at 31 March 2012	<u>(323,693)</u>	<u>405,963</u>

24 Analysis of changes in net (debt)/funds

	At 31 March 2011 £	Cashflow £	Non-cash items £	At 31 March 2012 £
Cash in hand	818,362	(560,159)	-	258,203
Finance leases	(412,399)	172,162	(341,659)	(581,896)
	<u>405,963</u>	<u>(387,997)</u>	<u>(341,659)</u>	<u>(323,693)</u>

During the year the trust entered into finance lease arrangements in respect of assets with a total capital value of £341,659 (2011 £517,797)

25 Contingent liabilities

There were no contingent liabilities at 31 March 2012 or 31 March 2011

Notes to the financial statements

26 Leasing commitments

Operating lease payments amounting to £7,919 (2011 £91,945) are due within one year. The leases to which they relate expire as follows

	Group £	2012 Charitable company £	Group £	2011 Charitable company £
Operating leases which expire				
- within 12 months	7,919	7,919	-	-
- within two to five years	-	-	91,945	91,945

27 Capital commitments

The group had capital commitments of £Nil as at 31 March 2012 (2011 £Nil)

28 Pensions

Group Defined Benefit Scheme Greater Manchester Pension Fund

The group has established a funded defined benefit pension scheme for eligible employees. With effect from 1 April 2003, following the transfer of employees from Wigan Metropolitan Borough Council to the group, the employees of the group have remained as members of the Greater Manchester Pension Fund.

The share of the fund's underlying assets and liabilities relating to this group cannot be separately identified on a consistent and reasonable basis between the employees of each of the companies within the Wigan Leisure and Culture Trust group. Therefore, the pension scheme is only accounted for on a consolidated basis.

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 group's share of the underlying assets and liabilities of the Greater Manchester Pension Fund, although not between members of the group.

The assets of the scheme are invested and managed independently of the finances of the Charity. The pension costs relating to this scheme are calculated on the projected unit method and are assessed with the advice of a qualified actuary. The latest actuarial assessment of this scheme was on 31 March 2010 and was carried out by Hyman Robertson LLP, an independent actuary. The next full actuarial valuation will take place at 31 March 2013.

Notes to the financial statements

28 Pensions (continued)

Further information in respect of the defined benefit scheme is detailed below. The principal actuarial assumptions used by the actuaries were as follows:

	2012 %	2011 %
Discount rate at 31 March	4.8	5.5
Expected return on plan assets at 31 March	5.6	6.6
Salary increase rate	4.3	4.3
Inflation assumption	2.5	2.8

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2012 and 31 March 2011 are based on the PFA92 and PMA92 tables with a current year of use. Based on these assumptions, average future life expectancies at age 65 are as follows:

	Males years	Females years
Current pensioners	20.1	22.9
Future pensioners	22.5	25.0

The expected return on plan assets is based on the average annualised total returns over 20 years. The amounts separately charged (or credited) to the Statement of Financial Activities as pension scheme operating charge/(credit) are as follows:

	2012 £	2011 £
Current service cost	1,736,000	2,318,000
Past service cost	15,000	155,000
Losses on curtailments and settlements	934,000	28,000
Contributions payable	(2,374,000)	(1,910,000)
Total	<u>311,000</u>	<u>591,000</u>

Notes to the financial statements

28 Pensions (continued)

The amounts charged or (credited) to other pension finance costs within the statement of financial activities

	2012 £	2011 £
Interest cost	3,110,000	3,963,000
Expected return on pension scheme assets	<u>(3,804,000)</u>	<u>(3,595,000)</u>
	<u>(694,000)</u>	<u>368,000</u>

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Fair value of plan assets	59,685,000	56,981,000
Present value of retirement benefit obligations	<u>(65,533,000)</u>	<u>(55,468,000)</u>
Net (liabilities)/assets	<u>(5,848,000)</u>	<u>1,513,000</u>

The major categories of plan assets, as a percentage of the total plan assets, are as follows

	2012 %	2011 %
Equities	69	66
Bonds	18	17
Property	5	5
Cash	<u>8</u>	<u>12</u>

The actual return on plan assets was as follows

	2012 £	2011 £
Actual return on plan assets	<u>840,000</u>	<u>3,499,000</u>

Notes to the financial statements

28 Pensions (continued)

Changes in the present value of the defined benefit obligation are as follows

	2012 £	2011 £
Opening defined benefit obligation at 1 April	55,468,000	76,348,000
Current service cost	1,736,000	2,318,000
Past service cost	15,000	155,000
Interest cost	3,110,000	3,963,000
Contributions by plan participants	694,000	769,000
Actuarial loss/(gain)	4,772,000	(27,113,000)
Losses on curtailments	934,000	28,000
Benefits paid	(1,196,000)	(1,000,000)
Closing defined benefit obligation at 31 March	<u>65,533,000</u>	<u>55,468,000</u>

Changes in the fair value of the plan assets are as follows

	2012 £	2011 £
Fair value of plan assets at 1 April	56,981,000	51,311,000
Expected return on assets	3,804,000	3,595,000
Contributions by plan participants	694,000	769,000
Contributions by the employer	2,374,000	1,910,000
Actuarial (losses)/gains	(2,972,000)	396,000
Benefits paid	(1,196,000)	(1,000,000)
Closing fair value of plan assets at 31 March	<u>59,685,000</u>	<u>56,981,000</u>

The cumulative actuarial gains and losses recognised at 31 March 2012 was a loss of £2,219,000
(2011 gain of £5,524,000)

Notes to the financial statements

28 Pensions (continued)

Amounts for the current and previous four periods are as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Fair value of plan assets	59,685,000	56,981,000	51,311,000	36,127,000	41,672,000
Present value of defined benefit obligation	(65,533,000)	(55,468,000)	(76,348,000)	(40,054,000)	(39,987,000)
(Deficit)/surplus in the plan	(5,848,000)	1,513,000	(25,037,000)	(3,927,000)	1,685,000
Experience adjustments arising on plan assets	(2,972,000)	396,000	10,950,000	(10,242,000)	(7,050,000)
Experience adjustments arising on plan liabilities	(404,000)	8,347,000	-	-	756,000

The estimated employer's contribution for the year ended 31 March 2013 is £1,817,000

Group and charitable company Defined Benefit Scheme North Yorkshire Pension Fund

With effect from 1 September 2009, following the transfer of employees from Selby District Council to the charitable company, the transferred employees of the charitable company have remained as members of the North Yorkshire Pension Fund

The North Yorkshire 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 share of the underlying assets and liabilities of the North Yorkshire Pension Fund

The assets of the scheme are invested and managed independently of the finances of the Charity. The pension costs relating to this scheme is calculated on the projected unit method and is assessed with the advice of a qualified actuary. The latest actuarial assessment of this scheme was on 31 March 2010 and was carried out by Mercer Limited, an independent actuary. The next full actuarial valuation will take place at 31 March 2013.

Further information in respect of the defined benefit scheme is detailed below

The principal actuarial assumptions used by the actuaries were as follows

	2012 %	2011 %
Discount rate at 31 March	5.1	5.5
Expected return on plan assets at 31 March	3.1	4.4
Salary increase rate	4.65	5.05
Inflation assumption	2.9	3.3

Notes to the financial statements

28 Pensions (continued)

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2011 and 31 March 2012 are based on the PFA92 and PMA92 tables with a current year of use. Based on these assumptions, average future life expectancies at age 65 are as follows

	Males Years	Females Years
Current pensioners	22.2	24.8
Future pensioners	23.6	26.4

The expected return on plan assets is based on the average annualised total returns over 20 years. The amounts separately charged (or credited) to the Statement of Financial Activities are as follows

	2012 £	2011 £
Current service cost	83,000	112,000
Losses on curtailments	42,000	-
Contributions paid	(150,000)	(110,000)
Total	<u>(25,000)</u>	<u>2,000</u>

The amounts charged or (credited) to other pension finance costs within the Statement of Financial Activities

	2012 £	2011 £
Interest cost	88,000	104,000
Expected return on pension scheme assets	<u>(80,000)</u>	<u>(87,000)</u>
	<u>8,000</u>	<u>17,000</u>

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Fair value of plan assets	2,449,000	1,931,000
Present value of retirement benefit obligations	<u>(1,744,000)</u>	<u>(1,596,000)</u>
Net assets	<u>705,000</u>	<u>335,000</u>

Notes to the financial statements

28 Pensions (continued)

The major categories of plan asset, as a percentage of the total plan assets, are as follows

	2012 %	2011 %
Bonds	<u>100</u>	<u>100</u>

The actual return on plan assets was as follows

	2012 £	2011 £
Actual return on plan assets	<u>434,000</u>	<u>136,000</u>

Changes in the present value of the defined benefit obligation are as follows

	2012 £	2011 £
Opening defined benefit obligation at 1 April	1,596,000	1,755,000
Current service cost	83,000	112,000
Interest cost	88,000	104,000
Contributions by plan participants	28,000	34,000
Losses on actuarial gain	-	(409,000)
Losses on curtailments	42,000	-
Benefits paid	(93,000)	-
Closing defined benefit obligation at 31 March	<u>1,744,000</u>	<u>1,596,000</u>

Changes in the fair value of the plan assets are as follows

	2012 £	2011 £
Fair value of plan assets at 1 April	1,931,000	2,025,000
Expected return on assets	80,000	87,000
Contributions by plan participants	28,000	34,000
Contributions by the employer	150,000	110,000
Actuarial gains/(losses)	353,000	(325,000)
Benefits paid	(93,000)	-
Closing fair value of plan assets at 31 March	<u>2,449,000</u>	<u>1,931,000</u>

Notes to the financial statements

28 Pensions (continued)

The cumulative actuarial gains and losses recognised at 31 March 2012 was a gain of £112,000 (2011 loss of £241,000)

Amounts for the current and prior periods are as follows

	2012 £	2011 £	2010 £
Fair value of plan assets	2,449,000	1,931,000	2,025,000
Present value of defined benefit obligation	(1,744,000)	(1,596,000)	(1,755,000)
Surplus in the plan	705,000	335,000	270,000
Experience adjustments arising on plan assets	353,000	(325,000)	(109,000)
Experience adjustments arising on plan liabilities	-	183,000	-

The estimated employer's contribution for the year ended 31 March 2013 is £113,000

29 Indemnity insurance

The charitable company has purchased insurance for the trustees and officers of the charitable company against liability arising for wrongful acts in relation to the charitable company. The cost of this insurance amounted to £2,000 (2011 £2,000)

30 Related party transactions

Due to the nature of the group's operations and the composition of the Board of trustees, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions involving organisations in which a trustee may have an interest are declared and conducted at arm's length in accordance with the group's normal procurement procedures.

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.

The following pages do not form part of the statutory financial statements