

**The Big Life Company Limited
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year Ended

31 March 2017

Company Number 04227431

The Big Life Company Limited
(A Company Limited by Guarantee)

Company Information

Directors	F Selvan P Butler P Hodgett A Beswick E Robinson C Price R Scorer M Alavi A Shah L Grant
Company secretary	P Hodgett
Registered number	04227431
Registered office	1st Floor 463 Stretford Road Manchester Lancashire M16 9AB
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT
Bankers	Royal Bank of Scotland Oxford Road Manchester M13 9PH
Solicitors	DWF LLP 2 Hardman Street Manchester M3 3AA

The Big Life Company Limited
(A Company Limited by Guarantee)

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The Big Life Company Limited (A Company Limited by Guarantee)

Group Strategic Report For the Year Ended 31 March 2017

Principal activities and performance

Set out below is a review of the principal activities and the performance of each member of the group:

Big Life Company Limited

The Big Life Company's provides strategic and corporate services including: Finance, HR, Communications, Training, IT, Risk Management, Governance services to the group. In addition this year it has developed the 2017-20 Business Plan and led on Business Development, securing two new contracts.

In line with needs identified in the five year Business Plan, the Big Life Company have progressed with the implementation of IS9001 Quality Standard across the group, secured Investors in People Gold and Health and Well Being Award, and reaccreditation for CHAS Health and Safety Award. It has delivered a number of IT software improvements to improve efficiency, including investing in new finance software and an EReq Purchase Order system. The group focused this year on increasing training compliance across all mandatory courses achieving an average compliance rate of 96.5% for its 562 staff across 5 mandatory training courses.

This year we have:

Continued as prime contractor to deliver the Working Well Pilot in Manchester, Trafford and Salford. Working Well offers holistic support to people who have been on the Work Programme for two years and have not secured employment. It is commissioned by the DWP and AGMA and is a pilot programme. It is a Payment by Results contract and offers the opportunity to support some of the people furthest from the labour market, back into work. This year it worked with 92 people, 40% of whom did not believe they could find work; 48% had no qualifications or qualifications below GCSE level. Working Well secured job outcomes for 89 of the clients it worked with this year.

We were subcontracted by Manchester Growth Company to deliver Working Well Expansion and Skills for Employment this year, but exited the Working Well Expansion contract in January 2017. In the Expansion contract we worked with 337 clients, 30% of whom hadn't worked for six years or more. We helped 29 people into work. In the SFE contract we worked with 403 people of whom 11 secured jobs, 24 completed accommodation and 58 people undertook work experience.

Continued to deliver four Children Centres in Manchester and Stockton-On-Tees, offering a range of services including support groups, training, family services, and volunteering. We also ran Early Years Outreach service, CAPs parenting service and Family in Need service in Manchester, working with some of the most hard to engage. In Stockton we also delivered the Fairer Start programme, training volunteers to support families with children under 3 years old. 5,825 families accessed our services and we provided opportunities for 152 volunteers, with 88 going on into education or employment.

Continued to support our nurseries in Manchester and Stockton to move to sustainability. We decided to exit two nurseries in Manchester at the end of the financial year (Gorton and Moss Side) and relocate the Cheetham nursery into Unity School. Big Life Families planned to make a loss in year whilst the nurseries moved towards sustainability, recovering losses in future years. Big Life Families secured support from the Royal Bank of Scotland and Big Life charities to enable it to extend this business. 1209 children used our nurseries. 76% of the children leaving the nurseries were at or above expected levels of development. We offered opportunities to 89 volunteers, with 48 going on into employment. We had 62 students, with 2 going into employment and 12 gaining qualifications.

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Group Strategic Report (continued) **For the Year Ended 31 March 2017**

Continued to publish The Big Issue in the North weekly magazine and distribute it across the North of England. It provides opportunities for vulnerable people to earn an income by selling the magazine for a profit on the street. This year it had 886 vendors selling the magazine and a weekly circulation of 12,455 magazines. The Big Issue offered 11 work placements and had 7 volunteers, with 4 going into employment.

The Big Issue in the North offered 10 low level supported housing flats in Belmont House and Kremlin Road, accommodating 12 people this year.

The Big Issue in the North Trust

The Big Issue in the North Trust is a charity which supports vendors by providing support and signposting. In the last year it helped 26 vendors into accommodation; 23 into work, volunteering or training

The Big Issue in the North Trust is contracted by Liverpool City Council to manage Community Voice – a service user forum for people using drug and alcohol services. In the last year it had 13 volunteers and one student placement. It held 12 meetings with service users and carried out five service evaluations.

This year it also began delivering a service user engagement service for Liverpool Waves of Hope, which engages people with a range of issues including mental health, offending, substance misuse and homelessness.

Big Life Centres

Big Life Centres provides community and self-help services to help people improve their well-being. It manages four community health centres in Manchester and Salford (Zion, Kath Locke, Energise, and Willow Tree). Big Life Centres had 210,418 visitors over the last year; 70% of visitors who were surveyed said the centre had helped improve their quality of life. The centres held 82 well-being programmes and activities and 5 self-help groups, attended by 9,282 people.

Big Life Centres is the lead provider for the Salford Being Well service which is delivered in partnership with seven third sector providers. Working with a coaching model it supports people with three or more lifestyle issues, such as smoking, obesity, low mood, to make and sustain positive change in their lives. This year it received 975 new clients. After using the service 40% of people quit smoking, 45% reported weight loss, 71% said their mood had improved and 55% reported increased physical activity. The service won awards from the Public Health Minister and Royal Society of Public Health, and was a demonstration site for the NESTA realising the value programme. We were disappointed that the service was not recommissioned at the end of its contract in March 2017.

Big Life Centres also delivers two contracts in Rochdale – Living Well and Drug and Alcohol Recovery (Pathways). The Living Well services delivered from 200 community buildings and engaged with 10,518 people, 7,333 went on to have ongoing support. 58% reported achieving their goals to increase in their well being. 52% stopped smoking and 46% lost weight. The service was re-tendered at the end of the year and we were pleased to be successful in our bid to continue to deliver the service in a new partnership with Link4Life, Early Break and Mind.

Pathways worked with 2,140 people this year and 66% of people leaving the services were drug or alcohol free, or had significantly reduced their use. 35 people who used the service became volunteers and 27 gained employment.

Big Life Centres provided 218 people with volunteering opportunities this year; 28 went onto paid work and 27 into further education.

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Group Strategic Report (continued)
For the Year Ended 31 March 2017

Self Help Services

Self Help Services (SHS) is a user led mental health charity that delivers primary mental health and self-help initiatives, including one to one therapy, self-help groups and structured training courses. 66% of new staff recruited have lived experience of mental distress.

It is one of the largest independent providers of NHS Primary mental health services in the North of England. It is commissioned by Manchester, Stockport, and Trafford to provide one to one clinical support, counselling and e therapy. It also provides specialist services including the Sanctuary Crisis service in Manchester, Peer to Peer support services, structured training and self-help groups. In the last year it worked with over 18,000 clients 80% of whom felt more in control of their lives and 89% more hopeful after using its services.

SHS provided opportunities for 125 people to volunteer and had 3 student placements.

Sanctuary overnight crisis service for people struggling with anxiety, depression, panic and suicidal thoughts, is now delivered from three sites in Manchester, Bolton, Wigan and Leigh. It is also complemented by a 24 hour crisis line. This year it provided 11,783 sessions of support either in person or by phone, helping 2,671 people.

SHS delivers a number of community drop in groups for anxiety, low mood and depression. 428 sessions were held and 81% said it helped improve confidence and self-esteem. The Peer to Peer service supported 292 people and recruited 21 peer volunteers. 76% of people using the service said they gained new coping strategies.

This year we were successful in securing new contracts in Eastern Cheshire and Heywood, Middleton and Rochdale.

Big Life Schools (formerly Longsight Community Primary School)

Longsight Community Primary provided a Reception, Year 1, 2, 3, 4 and 5 class for 150 pupils. There are 16 different languages spoken by children at the school and 22% of pupils had no previous education or interrupted education prior to coming to Longsight. 58% of reception children are achieving a 'Good Level of Development'. Children assessed at Key Stage One showed that 53% achieved expected level of development in writing; and 63% in maths. Attendance is on an upward trajectory at 95.9%. Ofsted awarded the school 'Good' on inspection in 2015.

Unity Community Primary was opened in September 2015 and this year had a Reception and a Year 1, 2 and 3 class, for 54 pupils. 84% of the children have English as an additional language and 34% in the early stages of learning English. 45% of pupils have no previous education or interrupted education prior to coming to the school. In the reception class 63% of children achieved a Good Level of Development and at Key Stage One, 19% of children were at Age Related Expectation (reflecting high levels of transience in these year groups). Attendance is at 94.5%.

The Multi Academy Trust oversees both Longsight Community Primary and Unity Community Primary. It was awarded a grant from the Regional Schools Commissioner to develop its growth potential. It submitted a bid for a third Free School, which was unsuccessful and is discussing conversion of a local authority school to join the MAT.

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Group Strategic Report (continued)
For the Year Ended 31 March 2017

Principal risks and uncertainties

A risk management process is in place whereby risks are identified and profiled against likelihood and consequence, with actions identified. Each risk is assigned to a member of the Senior Management team.

The changes in the economic climate and government's economic policy are high on the agenda as they are impacting on funding. The group has developed a network of contacts within government to ensure influence at national level and built communication links with other influential groups. The group continues to explore different avenues of finance and continues to diversify income streams.

Operationally the services provided by the group are subject to legislative and quality standards, including Ofsted and CHAS (the Health and Safety Quality Standard). This year we were recredited with Investors in People, achieving Gold Standard, and Health and Well Being Award. Failure to maintain these will impact on the ability to retain and win contracts. Services are continually reviewed and audited, and appropriate action taken to ensure that targets are met and exceeded.

Financial key performance indicators

Targets are set and are monitored during the year, and their progress included within the Board Reports. They are categorised under four objectives:

Creating Opportunities

In the last year over 56,894 people used services provided by The Big Life group. It provided more than 637 people with volunteering opportunities.

Doing Good Business

The group turnover this year fell from £17,160,413 to £15,697,567 achieving a profit surplus of £3,881,029.

Improving What We Do


95% of staff are committed to the success of the group and 91% would recommend it as an employer. Sickness levels have risen to 4%. 31% of staff live within 2 miles of where they work and 35% are from BME communities.

Influencing

This year The Big Life groups websites were visited by 302,397 people, with followers on Twitter growing to 16,222 and stories on Facebook reaching over 730,000 people.

This report was approved by the board on 19th December 2017 and signed on its behalf.

F Selvan
Director



The Big Life Company Limited

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Directors' Report

For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activities

The Big Life Group is a group of companies which aims to create opportunities for people who have had a raw deal in life to change their lives. The companies within the group this year included: The Big Life Company Limited, Big Life Enterprises Ltd, Big Life Families Ltd, and The Big Issue in the North Ltd. The charities within the group include: Self Help Services, the Big Issue in the North Trust, Big Life Schools (formerly Longsight Community Primary School) and Big Life Centres. This year the group made changes to simplify its legal structure and the social enterprises were all brought into the Big Life Company. The operating model was changed so that staff worked through four Divisions:

- Children and Families Division – delivering childcare, education and family support services, giving children the best start in life.
- Health and Wellbeing Division – delivering services which help people improve their physical and mental health
- Skills and Employment Division – helping people overcome barriers to employment and build skills to live independently
- Group Services Division – providing corporate services to the group.

Going concern

The Directors have considered the level of reserves, financial forecasts and management accounts prepared since 31 March 2017 in determining that Big Life is a going concern.

Results and dividends

The profit for the year, after taxation, amounted to £3,881,029 (2016 - £856,049).

Directors

The directors who served during the year were:

F Selvan
P Butler
P Hodgett
A Beswick
E Robinson
C Price
R Scorer
M Alavi
E Perry (appointed 1 April 2016, resigned 31 July 2017)

L Grant and A Shah were appointed as directors on 31 August 2017.

Directors' indemnity provision

The company has provided an indemnity for its director's and the Company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in force during the financial year and also at the date of approval of these financial statements.

The Big Life Company Limited

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Directors' Report (continued)
For the Year Ended 31 March 2017

Environmental matters

The group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The group has complied with all applicable legislation and regulations. Next year it will be extending its ISO accreditation to include an Environmental Standard and include measurement of environmental impact in the Social Accounts.

Future developments

The group continues to campaign on the potential for social businesses to deliver public services to meet the needs of the most vulnerable people in society. It reviewed its business plan and has developed a new plan for the period 2017-20. The targets for the next three years are:

Creating opportunities:

- Work with more than 100,000 people every year
- Employ more people with life experience of addiction and mental health issues
- Provide more opportunities for volunteers and work experience

Do good business:

- Increase our turnover to £30m pa
- Have a strong balance sheet with £2.5m current net assets
- A mix of income streams – 76% contracts, 16% trading

Improving what we do:

- 96% of staff committed to our mission
- Robust data management and IT systems
- Services that embrace technology without leaving people behind

Influence:

- Fight for the issues that really matter to the people we work with
- Build a network of stakeholders to champion our mission
- Create social accounts.

Employee involvement

The group maintains an HR intranet site providing employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company. The intranet site includes functionality that enables employees to express views on matters that affect them anonymously and the group also undertakes a biennial staff survey to canvas views on significant matters.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

**The Big Life Company Limited
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**Directors' Report (continued)
For the Year Ended 31 March 2017**

Disclosure of information to auditor


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19th December 2017 and signed on its behalf.



F Selvan
Director

The Big Life Company Limited

(A Company Limited by Guarantee)

Directors' Responsibilities Statement **For the Year Ended 31 March 2017**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Big Life Company Limited

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Independent Auditor's Report to the Members of The Big Life Company Limited

We have audited the financial statements of The Big Life Company Limited for the year ended 31 March 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity 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 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 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 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 directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 company's affairs as at 31 March 2017 and of the group's profit 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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Independent Auditor's Report to the Members of The Big Life Company Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom 20/12/2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Big Life Company Limited
(A Company Limited by Guarantee)

Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2017

	Note	Continuing operations 2017 £	Discontin'd operations 2017 £	Total 2017 £	Continuing operations 2016 £	Discontin'd operations 2016 £	Total 2016 £
Turnover	4	15,697,567	-	15,697,567	16,607,514	552,899	17,160,413
Cost of sales		(8,929,672)	-	(8,929,672)	(10,107,015)	(75,949)	(10,182,964)
Gross profit		6,767,895	-	6,767,895	6,500,499	476,950	6,977,449
Administrative expenses		(7,151,619)	-	(7,151,619)	(7,097,336)	(464,106)	(7,561,442)
Loss on disposal of assets		(131,477)	-	(131,477)	-	(83,722)	(83,722)
Other operating income	5	4,402,428	-	4,402,428	1,549,233	-	1,549,233
Operating profit	6	3,887,227	-	3,887,227	952,396	(70,878)	881,518
Interest receivable	10	1,181	-	1,181	321	-	321
Interest payable	11	(4,632)	-	(4,632)	(5,389)	-	(5,389)
Profit before taxation		3,883,776	-	3,883,776	947,328	(70,878)	876,450
Tax on profit	12	(2,747)	-	(2,747)	(20,401)	-	(20,401)
Profit for the financial year		3,881,029	-	3,881,029	926,927	(70,878)	856,049
Profit for the year attributable to:							
Profit for the financial year		3,881,029	-	3,881,029	856,049	-	856,049
		3,881,029	-	3,881,029	856,049	-	856,049

There was no other comprehensive income for 2017 (2016 - £Nil).

The notes on pages 17 to 41 form part of these financial statements.

See note 29 for details of discontinued operations.

The Big Life Company Limited
(A Company Limited by Guarantee)
Registered number: 04227431

Consolidated Balance Sheet
As at 31 March 2017

	Note	2017 £	2017 £	As restated 2016 £	As restated 2016 £
Fixed assets					
Tangible assets	13		11,175,062		7,385,428
			<u>11,175,062</u>		<u>7,385,428</u>
Current assets					
Debtors	15	1,457,445		3,101,646	
Cash at bank and in hand	16	3,234,064		2,428,291	
			<u>4,691,509</u>	<u>5,529,937</u>	
Creditors: amounts falling due within one year	17	(2,946,870)		(3,755,715)	
Net current assets			<u>1,744,639</u>		<u>1,774,222</u>
Total assets less current liabilities			<u>12,919,701</u>		<u>9,159,650</u>
Creditors: amounts falling due after more than one year	18		(1,704,449)		(1,824,424)
Provisions for liabilities					
Deferred taxation	21		-		(1,003)
Net assets			<u>11,215,252</u>		<u>7,334,223</u>
Members' funds					
Other reserves	22		12,069,824		4,658,998
Profit and loss account	22		(854,572)		2,675,225
Equity attributable to owners of the parent company			<u>11,215,252</u>		<u>7,334,223</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

F Selvan
Director



19th December 2017

The notes on pages 17 to 41 form part of these financial statements.

The Big Life Company Limited
(A Company Limited by Guarantee)
Registered number: 04227431

Company Balance Sheet
As at 31 March 2017

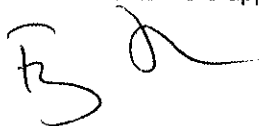
	Note	2017 £	2017 £	As restated 2016 £	As restated 2016 £
Fixed assets					
Tangible assets	13		2,072,534		2,105,139
Investments	14		3		3
			2,072,537		2,105,142
Current assets					
Debtors	15	830,560		985,235	
Cash at bank and in hand	16	627,814		73,227	
			1,458,374	1,058,462	
Creditors: amounts falling due within one year	17	(2,080,588)		(850,048)	
Net current (liabilities)/assets			(622,214)		208,414
Total assets less current liabilities			1,450,323		2,313,556
Creditors: amounts falling due after more than one year	18		(1,704,450)		(1,824,424)
Provisions for liabilities					
Deferred taxation	21		-		(2,047)
Net (liabilities)/assets			(254,127)		487,085
Members' funds					
Profit and loss account	22		(254,127)		487,085
			(254,127)		487,085

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £741,212 (2016 profit - £75,940).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

19th December 2017

F Selvan
Director



The notes on pages 17 to 41 form part of these financial statements.

The Big Life Company Limited
(A Company Limited by Guarantee)

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2017

	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2016	4,658,998	2,675,225	7,334,223
Comprehensive income for the year			
Profit for the year	-	3,881,029	3,881,029
Total comprehensive income for the year	-	3,881,029	3,881,029
Transfer to/from profit and loss account	7,410,826	(7,410,826)	-
At 31 March 2017	12,069,824	(854,572)	11,215,252

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2016

	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2015	3,143,820	3,334,354	6,478,174
Comprehensive income for the year			
Profit for the year	-	856,049	856,049
Total comprehensive income for the year	-	856,049	856,049
Transfer to/from profit and loss account	1,515,178	(1,515,178)	-
At 31 March 2016	4,658,998	2,675,225	7,334,223

The notes on pages 17 to 41 form part of these financial statements.

The Big Life Company Limited
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Company Statement of Changes in Equity
For the Year Ended 31 March 2017

	Profit and loss account	Total equity
	£	£
At 1 April 2016	487,085	487,085
Comprehensive income for the year		
Loss for the year	(741,212)	(741,212)
Total comprehensive income for the year	<u>(741,212)</u>	<u>(741,212)</u>
At 31 March 2017	<u><u>(254,127)</u></u>	<u><u>(254,127)</u></u>

Company Statement of Changes in Equity
For the Year Ended 31 March 2016

	Profit and loss account	Total equity
	£	£
At 1 April 2015	411,145	411,145
Comprehensive income for the year		
Profit for the year	75,940	75,940
Total comprehensive income for the year	<u>75,940</u>	<u>75,940</u>
At 31 March 2016	<u><u>487,085</u></u>	<u><u>487,085</u></u>

The notes on pages 17 to 41 form part of these financial statements.

The Big Life Company Limited
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Consolidated Statement of Cash Flows
For the Year Ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,881,029	856,049
Adjustments for:		
Depreciation of tangible assets	380,040	359,882
Loss on disposal of tangible assets	131,477	-
Government grants	(4,318,259)	(1,530,912)
Interest payable	4,632	5,839
Interest receivable	(1,181)	(321)
Taxation expense	2,747	20,401
Decrease/(increase) in debtors	1,644,201	(433,047)
Decrease in creditors	859,518	(199,381)
Decrease in provisions	(1,727,374)	(90,391)
Interest paid	(4,632)	(5,839)
Corporation tax paid	(28,742)	(21,522)
Net cash generated from operating activities	823,456	(1,039,242)
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,301,151)	(1,376,742)
Sale of tangible fixed assets	-	177
Interest received	1,181	321
Government grants received	4,318,259	1,530,912
Net cash from investing activities	18,289	154,668
Cash flows from financing activities		
Repayment of loans	(35,972)	(61,647)
Net cash used in financing activities	(35,972)	(61,647)
Net increase/(decrease) in cash and cash equivalents	805,773	(946,221)
Cash and cash equivalents at beginning of year	2,428,291	3,374,512
Cash and cash equivalents at the end of year	3,234,064	2,428,291
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,234,064	2,428,291
	3,234,064	2,428,291

The Big Life Company Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2017

1. General information

The Big Life Company Limited is a private company, limited by guarantee, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's and group's operations and its principal activities is stated in the Strategic Report and the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in GBP and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The Big Life Company Limited

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Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue in respect of charitable companies within the Group is recognised as follows:

- Voluntary income is received by way of donations and gifts and is included in full in the Consolidated Statement of Comprehensive Income when receivable.
- Grants, including grants for the purchase of fixed assets, are recognised in full in the Consolidated Statement of Comprehensive Income in the year in which they are receivable.
- Services and recharges income comprises revenue recognised in respect of services supplied during the year.
- Incoming resources from investments is included when receivable.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

The estimated useful lives range as follows:

Long-term leasehold property	- Over a period of 50-60 years
Short-term leasehold property	- Over the lease term
Furniture, fittings and equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

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Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.11 Financial instruments (continued)

impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants received within Big Life Schools are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

The Big Life Company Limited

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Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit scheme

Retirement Benefits to employees of the group are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other gains and losses.

Further details in respect of pension schemes are included in Note 24.

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Notes to the Financial Statements
For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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Notes to the Financial Statements
For the Year Ended 31 March 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 13)
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	Continuing operations 2017 £	Discontinued operations 2017 £	Continuing operations 2016 £	Discontinued operations 2016 £
Nursery services	4,090,987	-	4,323,061	-
Management services	5,335	-	85,331	-
Employment services	942,216	-	1,480,095	-
Healthcare services	-	-	-	552,899
Magazine and related sales	964,257	-	1,563,825	-
Charitable activities	7,877,340	-	7,772,705	-
Charitable grants	174,659	-	97,776	-
Education services	1,642,773	-	1,284,721	-
	15,697,567	-	16,607,514	552,899

All turnover arose within the United Kingdom.

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Notes to the Financial Statements
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5. Other operating income

	2017 £	2016 £
Big Life Schools capital grant income	4,318,259	1,530,912
Rents receivable	84,169	18,321
	4,402,428	1,549,233

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	380,040	359,882
Release of capital grants	(83,099)	(90,391)
Defined contribution pension cost	293,782	290,501
	293,782	290,501

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates in respect of:		
The audit of the Group's annual accounts	41,000	46,360
Other fees for non audit services	25,237	51,100
	25,237	51,100

The fee for the audit of the Company's annual accounts was £13,500 (2016 - £13,500).

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Notes to the Financial Statements
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8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	10,462,012	10,771,172
Social security costs	738,810	746,035
Cost of defined contribution scheme	293,782	290,501
	<u>11,494,604</u>	<u>11,807,708</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Management and administration	40	36
Family and childcare	144	192
Advisors, Trainees, Employment	38	29
Centres services	79	61
Mental Health Services	113	136
Big Issue and Trust Services	27	45
Education	44	35
	<u>485</u>	<u>534</u>

The average number of employees employed by the parent company in the year, including directors, was 40 (2016 – 37).

The company incurred wages and salary costs of £2,853,116 (2016 – £973,989), social security costs of £194,006 (2016 – £97,619) and pension costs of £50,449 (2016 – £27,695).

Key management of the company includes the Directors of the group. See note 9 for details.

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Notes to the Financial Statements
For the Year Ended 31 March 2017

9. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	373,754	311,333
Company contributions to defined contribution pension schemes	11,939	11,320
	<u>385,693</u>	<u>322,653</u>

During the year retirement benefits were accruing to 5 directors (2016 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £85,004 (2016 - £82,917).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,254 (2016 - £3,162).

10. Interest receivable

	2017	2016
	£	£
Other interest receivable	1,181	321
	<u>1,181</u>	<u>321</u>

11. Interest payable

	2017	2016
	£	£
Bank interest payable	4,632	5,389
	<u>4,632</u>	<u>5,389</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2017

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	3,750	29,000
Adjustments in respect of previous periods	-	(484)
Total current tax	3,750	28,516
Deferred tax		
Origination and reversal of timing differences	-	3,062
Adjustment in respect of prior periods	-	(11,345)
Effect of tax rate change on opening balance	-	168
Other adjustment	(1,003)	-
Taxation on profit on ordinary activities	2,747	20,401

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	3,883,776	876,450
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 -20%)	776,755	175,290
Effects of:		
Not for tax purposes	(836,797)	-
Fixed asset differences	(45,204)	16,621
Group relief surrendered/(claimed)	(45,791)	(43,132)
Adjustments to tax charge in respect of prior periods	-	484
Adjustment for long accounting periods leading to an increase (decrease) in the tax charge	-	(111)
Adjustments to tax charge in respect of previous periods - deferred tax	-	(3,784)
Deferred tax	(3,565)	(1,402)
Other movement	157,349	(123,565)
Total tax charge for the year	2,747	20,401

Factors that may affect future tax charges

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Notes to the Financial Statements
For the Year Ended 31 March 2017

12. Taxation (continued)

The group has losses of £50,727 (2016 - £28,638) to offset against future taxable profits.

13. Tangible fixed assets

Group

	Long-term leasehold property £	Short-term leasehold property £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 April 2016	6,898,343	1,331,817	1,234,109	9,464,269
Additions	4,032,039	36,872	232,238	4,301,149
Disposals	-	(44,721)	(278,824)	(323,545)
At 31 March 2017	<u>10,930,382</u>	<u>1,323,968</u>	<u>1,187,523</u>	<u>13,441,873</u>
Depreciation				
At 1 April 2016	673,709	642,894	762,238	2,078,841
Charge for the year on owned assets	118,345	89,468	172,227	380,040
Disposals	-	(44,721)	(147,349)	(192,070)
At 31 March 2017	<u>792,054</u>	<u>687,641</u>	<u>787,116</u>	<u>2,266,811</u>
Net book value				
At 31 March 2017	<u>10,138,328</u>	<u>636,327</u>	<u>400,407</u>	<u>11,175,062</u>
At 31 March 2016	<u>6,224,634</u>	<u>688,923</u>	<u>471,871</u>	<u>7,385,428</u>

Included within long-term leasehold property is £5,210,042 (2016 - £1,148,539) of assets under construction.

Included within long-term leasehold property is £112,000 (2016 - £112,000) of land.

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Notes to the Financial Statements
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13. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Short-term leasehold property £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 April 2016	1,580,966	1,287,096	230,400	3,098,462
Additions	-	-	6,969	6,969
Transfer from subsidiaries (see note 28)	-	48,136	8,969	57,105
Disposals	-	-	(105,644)	(105,644)
At 31 March 2017	<u>1,580,966</u>	<u>1,335,232</u>	<u>140,694</u>	<u>3,056,892</u>
Depreciation				
At 1 April 2016	189,714	600,409	203,200	993,323
Charge for the year on owned assets	31,619	53,548	11,512	96,679
Disposals	-	-	(105,644)	(105,644)
At 31 March 2017	<u>221,333</u>	<u>653,957</u>	<u>109,068</u>	<u>984,358</u>
Net book value				
At 31 March 2017	<u>1,359,633</u>	<u>681,275</u>	<u>31,626</u>	<u>2,072,534</u>
At 31 March 2016	<u>1,391,252</u>	<u>686,687</u>	<u>27,200</u>	<u>2,105,139</u>

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Notes to the Financial Statements
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14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Big Life Enterprises Ltd (Reg no. 04118653)	Ordinary	100 %	Dormant*
Big Life Families Ltd (Reg no. 04713084)	Ordinary	100 %	Dormant*
Big Issue North Ltd (Reg no. 03026628)	Company limited by guarantee	N/A	Dormant*
Big Issue North Trust Ltd (Reg no. 03164559 Charity no. 1056041)	Charitable company limited by guarantee	N/A	Raising funds to support Big Issue vendors
Big Life Centres (Reg no. 03311884 Charity no. 1062333)	Charitable company limited by guarantee	N/A	Providing resources and initiatives to promote well-being in disadvantaged communities
Self Help Services Ltd (Reg no. 06036050 Charity no. 1122063)	Charitable company limited by guarantee	N/A	Primary mental health services
Big Life Nurseries Limited (Reg no. 08623716)	Ordinary	100 %	Dormant
Big Life Schools (Reg no. 07945230)	Charitable company limited by guarantee	N/A	Multi Academy Trust

The registered office of all subsidiaries is 1st Floor, 463 Stretford Road, Manchester, M16 9AB.

*On 30 September 2016 the trade and assets of the company were transferred to The Big Life Company Limited. As such, from this date the company is expected to be dormant.

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Notes to the Financial Statements
For the Year Ended 31 March 2017

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	3
At 31 March 2017	3
Net book value	
At 31 March 2017	3
At 31 March 2016	3

15. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	997,222	2,516,019	615,020	277,055
Amounts owed by group undertakings	-	-	-	571,974
Other debtors	97,780	469,717	92,347	79,805
Prepayments and accrued income	181,815	115,910	123,193	56,401
VAT	180,628	-	-	-
	1,457,445	3,101,646	830,560	985,235

The impairment loss recognised in the group Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £Nil (2016 - £Nil.) The impairment loss recognised in the company Statement of Comprehensive Income for the year in respect of bad and doubtful debtors was £953,123 (2016 - £Nil).

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Notes to the Financial Statements
For the Year Ended 31 March 2017

16. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	<u>3,234,064</u>	<u>2,428,291</u>	<u>627,814</u>	<u>73,227</u>

17. Creditors: Amounts falling due within one year

	Group 2017 £	Group As restated 2016 £	Company 2017 £	Company As restated 2016 £
Bank loans (secured)	36,619	35,716	36,619	35,716
Trade creditors	347,509	634,935	174,604	314,354
Amounts owed to group undertakings	-	-	990,105	91,448
Corporation tax	3,750	28,742	3,750	-
Other taxation and social security	432,834	219,159	276,985	253
Other creditors	277,812	348,093	124,185	87,269
Accruals and deferred income	1,763,638	2,404,362	389,632	236,300
Deferred grant	84,708	84,708	84,708	84,708
	<u>2,946,870</u>	<u>3,755,715</u>	<u>2,080,588</u>	<u>850,048</u>

Deferred grants relate to capital grants which have been reclassified from provisions to creditors during the year.

Capital grants represent funding received to purchase the group's properties and to finance property improvements and computer equipment. The grants are being released to the profit and loss account in line with the depreciation charged on the relevant assets. These grants were included within provisions in the prior year and have been re-classified.

18. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group As restated 2016 £	Company 2017 £	Company As restated 2016 £
Bank loans (secured)	144,883	181,758	144,883	181,758
Deferred grant	1,559,566	1,642,666	1,559,567	1,642,666
	<u>1,704,449</u>	<u>1,824,424</u>	<u>1,704,450</u>	<u>1,824,424</u>

Deferred grants relate to capital grants which have been reclassified from provisions to creditors during the year.

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Notes to the Financial Statements
For the Year Ended 31 March 2017

19. Loans

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due:				
In less than on year	36,619	35,716	36,619	35,716
Between one and two years	73,238	181,758	73,238	181,758
Between two and five years	71,645	-	71,645	-
	<u>181,502</u>	<u>217,474</u>	<u>181,502</u>	<u>217,474</u>

The bank loan totalling £181,502 (2016 - £214,474) is repayable by instalment over a period of 20 years from the loan drawdown. The interest rate on the loan is 1.5% over the bank base rate.

The bank loan is secured via a first legal charge over the land at Stretford Road, Old Trafford, Manchester and its associated assets. The bank also holds a debenture over the assets of The Big Life Company Limited.

20. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,344,950	5,414,027	1,340,380	1,002,061
	<u>4,344,950</u>	<u>5,414,027</u>	<u>1,340,380</u>	<u>1,002,061</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(982,821)	(5,247,530)	(1,511,614)	(2,589,511)
	<u>(982,821)</u>	<u>(5,247,530)</u>	<u>(1,511,614)</u>	<u>(2,589,511)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash balances, trade and other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise loan balances, trade and other creditors, accruals and amounts owed to group undertakings.

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21. Deferred taxation

Group

	2017	2016
	£	£
At beginning of year	1,003	9,118
Charged to profit or loss	(1,003)	(8,115)
At end of year	-	1,003

Company

	2017	2016
	£	£
At beginning of year	2,047	9,118
Charged to profit or loss	(2,047)	(7,071)
At end of year	-	2,047

The deferred taxation balance is made up as follows:

	Group	Company
	2016	2016
	£	£
Accelerated capital allowances	12,815	13,842
Short term timing differences	(11,812)	(11,795)
	1,003	2,047

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22. Members' funds

Other reserves

Other reserves represent £12,069,824 (2016 - £4,658,998) of funds recorded in The Big Issue In The North Trust, Self Help Services, Big Life Schools and Big Life Centres.

This includes £7,937,590 of restricted funds to be used for specific purposes as laid down by the donor.

In addition to this, further reserves of £4,132,234 (2016 - £2,669,745) are held by these companies within the group and can only be used to further the charitable objectives of those charities.

Profit and loss account

Retained earnings represents cumulative profits or losses, net of any dividends paid and other adjustments.

23. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

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24. Pension commitments

The group operates five pension schemes.

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

National Health Service Pension Fund

Past and present employees are covered by the provisions of an NHS Pension Scheme. Details of the benefits payable and rules of the Scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. It is an unfunded defined benefit scheme that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The valuation methodology prescribed in IAS 19 is considered to be broadly aligned with that of FRS 102 under UK GAAP which are the accounting standards applicable to The Big Life Company Limited.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

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Notes to the Financial Statements For the Year Ended 31 March 2017

24. Pension commitments (continued)

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2018. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

The Greater Manchester Pension Fund

This is a defined benefit pension scheme for a small number of eligible employees within Big Life Schools and The Big Life Company Limited, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. For the year ended 31 March 2017, the defined benefit schemes revealed a net liability of £32,000 (2016 - £21,000) which is considered immaterial and is not provided for. As permitted by FRS102, the schemes have been accounted for as a defined contribution schemes.

The Teesside Pension Fund

This is a defined benefit pension scheme for a small number of eligible employees within The Big Life Company Limited, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. For the year ended 31 March 2017 the actuary has confirmed that the scheme is fully funded. However, no asset is recognised due to the company receiving no benefit.

Teachers' Pension Superannuation Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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25. Commitments under operating leases

At 31 March 2017 the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £
Not later than 1 year	151,762	177,463	115,830
Later than 1 year and not later than 5 years	409,407	471,190	376,978
Later than 5 years	600,669	789,107	598,768
	<u>1,161,838</u>	<u>1,437,760</u>	<u>1,091,576</u>

The Company had no commitments under the non-cancellable operating leases as at the prior year balance sheet date.

26. Other matters

The Company has confirmed its intention to maintain financial support to its subsidiary companies, Big Life Enterprises Ltd and Big Life Families Ltd to enable them to continue normal trading operations, for at least 12 months from the signing of the financial statements.

Such support may involve advance of funds to enable the subsidiary to meet liabilities as they fall due. In view of this and the amounts owed to the company, the board continues to monitor the financial performance of these companies.

27. Group reorganisation

On 30 September 2016, the trade and assets of Big Issue North Ltd, Big Life Enterprises Ltd and Big Life Families Ltd were transferred to the parent company at net book value. As such the companies no longer trade and are dormant.

Below is a summary of the assets and liabilities transferred:

	Big Issue North Ltd £	Big Life Enterprises Ltd £	Big Life Families Ltd £	Total £
Cash	251,939	93,898	38,425	384,262
Tangible fixed assets	-	-	57,105	57,105
Current assets (exc cash)	143,758	109,872	412,993	666,623
Liabilities	(53,744)	(366,544)	(1,298,872)	(1,719,160)
Net assets/(liabilities)	<u>341,953</u>	<u>(162,774)</u>	<u>(790,349)</u>	<u>(611,170)</u>

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28. Discontinued operations

On 3rd December 2015 the Group disposed of Open Door (Health) Limited. The net assets at the date of the disposal and the loss on disposal were as follows:

		£
Cash proceeds		3
		3
Net assets disposed of:		
Tangible fixed assets	177	
Debtors	31,247	
Cash	127,905	
Creditors	(75,607)	
		(83,722)
Loss on disposal before tax		(83,725)

The net inflow of cash in respect of the sale of Open Door (Health) Limited is as follows:

		£
Cash consideration		3
Cash transferred on disposal		(127,905)
Net inflow of cash		(127,902)

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29. Related party transactions

The group has taken advantage of the exemption conferred by Section 33.1A of FRS 102 not to disclose transactions and balances with wholly owned subsidiaries.

The following amounts were owed (to)/by entities under common management at the year end:

	Company 2017 £	Company 2016 £
Big Life Centres	(211,036)	-
The Big Issue North Ltd	(340,435)	(860)
Self Help Services Ltd	(435,514)	14,291
Big Life Schools	629	479

During the year the following amounts were charged to entities under common management:

The amounts charged to entities under common management relate to management fees and the recharge of support costs.

During the year the following amounts were charged by entities under common management:

	Company 2017 £	Company 2016 £
Big Life Centres	30,445	18,251
Self Help Services Ltd	166,205	-

The amounts charged by entities under common management relate to the recharge of salary, photocopier, accommodation, travel, postage and sundry expenditure.

30. Controlling party

In the view of the directors the group has no controlling party.