

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

Annual Report and Financial Statements

Year Ended

31 March 2019

Company Number 04227431

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

Company Information

Directors F Selvan
P Butler
A Beswick
E Robinson
C Price
R Scorer
M Alavi
A Shah
L Grant
P Alty (appointed 14 March 2019)

Company secretary R McMorrow

Registered number 04227431

Registered office 1st Floor
463 Stretford Road
Manchester
Lancashire
M16 9AB

Bankers Royal Bank of Scotland
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9JN

External auditor Beaver and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

**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 2019

Principal activities and performance

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

The Big Life group's mission is to create opportunities for the people who have the least to change their lives. We start where they are at, and help them get to where they want to be. We have a three year business plan from 2017-20, and March 2019 is the end of the first year of the plan. The Big Life group operates through four Divisions:

- Group Services – provides strategic and corporate services to the group
- Children and Families – delivering childcare, education, and family support
- Health and Wellbeing – delivering services to help people improve their physical and mental health
- Skills and Employment – helping people to overcome barriers to employment and develop skills for independent living

Big Life Company Limited

The Big Life Company provides strategic leadership and corporate support (Finance, Communication, Procurement, HR, ICT, Training, Governance, H&S, Safeguarding, Business Development, Building and Asset management) to all services and charities in the Big Life group (Self Help Services, Big Life Centre's, Big Issue North Trust and Big Life Schools) for which it receives a management fee through agreed Service Level Agreements.

Big Life Company Ltd also delivers activities that were previously undertaken by the following wholly owned subsidiaries Big Issue North, Big Life Enterprises and Big Life Families. These three wholly owned subsidiaries have now been formally dissolved.

During the year Big Life Company delivered the following:

Higher Skills & Education: Big Life Company provided employability training to assist individuals in their search for employment. Individuals who successfully completed the training were guaranteed a job interview with Manchester City Council and CASA Care. Unfortunately, the contract has now ceased as the lead provider viewed the contract as financially unsustainable.

Children's Centre: For the year Longsight and Ardwick children's centres, visitor numbers were in excess of 12,000. The group also delivered Early Years Outreach service and CAPs parenting service in Manchester with the aim of improving family stability and relationships.

Nurseries: The group operated three nurseries in Manchester (Slade Lane, Longsight, and Unity) and 657 children used our nurseries. Across the children and families division the services used 53 volunteers.

Big Issue North: The group had 644 vendors selling the magazine with an average weekly circulation of 11,542. During the year 2 vendors piloted cashless payment machines enabling them to earn an income from people who don't carry cash. During the year The Big Issue North had 9 students/work placements and 2 Volunteers.

Big Life Homes: The group managed 10 low need supported housing flats in Liverpool (Belmont House and Kremlin Road) accommodating 15 tenants in total.

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**Group Strategic Report (continued)
For the Year Ended 31 March 2019**

Big Issue North Trust Limited

Big Issue North Trust Limited is a registered charity which helps vendors who are selling the Big Issue North magazine through support and signposting. During the year the charity assisted 5 clients into accommodation and 50 clients into employment and education. The charity provided 384 interventions around Health and Money issues (2017/18: 316).

During the year the Trust successfully completed the relocation of its Liverpool hub to new property at Parr Street. The Manchester hub will also be relocated to new property at Raven House during 2019-20.

The charity was also commissioned by Liverpool City council to deliver a user engagement project (Community Voice) and by Plus Dane Housing Association to support user involvement in the Waves of Hope programme.

Big Issue North Trust Limited supported the development of Homes for Homes UK by hosting a Development Manager and managing funds on its behalf. Home for Homes UK Ltd is an initiative to increase investment in social housing.

Big Life Centres

Big Life Centres provides community and self-help services to support people to improve their well-being. The charity manages three community health centres in Manchester and Salford (Zion, Kath Locke and Energise). The charity also delivers wellbeing services in Manchester (You First) and Rochdale (Living Well) and Achieve Drug and Alcohol service in Bolton, Salford and Trafford.

During the year Big Life Centres achieved the following:

- 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 and Energise). Big Life Centres at Zion and Kath Locke had 142,541 visitors over the last year and at Energise centre 96% of people surveyed say their lives have improved by use of the Centre.
- Big Life Centres also deliver the Rochdale Living Well service which, during the year supported clients to achieve 4,927 personal goals out of 5,743 goals set. In relation to smoking cessation 70% of those who set a goal on smoking successfully quit smoking. In relation to weight loss 77% of those who set a goal to lose weight and successfully, achieved their target.
- The Achieve Drug and Alcohol Recovery Service operated across Bolton, Salford, and Trafford and supported 1,409 referrals through Assertive Outreach. The service looks to bring people into structured treatment and re-engage with those who struggle to comply with treatment or have dropped out of treatment. The service aims are to decrease the numbers of high risk individuals losing contact with structured treatment, reduce unplanned completions, and engage with new clients.
- The Be Well wellbeing service was fully mobilised in November and worked with 14 partner organisations including VCSE providers, housing providers and GP federations. During the year the service dealt with and assessed 552 individuals.

Big Life Centres provided 174 people with volunteering opportunities during the year (2017/18: 187).

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

Group Strategic Report (continued)
For the Year Ended 31 March 2019

Self Help Services

Self Help Services Ltd (SHS) is a user led mental health charity delivering primary mental health and self-help initiatives, including one to one therapy, self-help groups and structured training courses. During the year SHS provided 113 volunteering opportunities and worked with 26,922 clients 90% of those surveyed felt improvements in confidence and self-esteem.

SHS is one of the largest independent providers of NHS Primary mental health services in the North of England and delivers one to one clinical support, counselling and e-therapy services for NHS Manchester, Stockport, Salford, Trafford, Eastern Cheshire, and Heywood/Rochdale/Middleton CCGs.

IAPT services delivered interventions to 24,838 clients (2017-18: 18,253) and E-Therapy services were accessed by 1,722 clients (2017-18: 1,490). The charity also provides specialist services including the Sanctuary Crisis Service, Peer to Peer support services, structured training and self-help groups.

Sanctuary's overnight crisis intervention service supported people who struggled with anxiety, depression, panic and suicidal thoughts. The service delivered from three sites in Manchester, Bolton, Wigan and Leigh areas and was complemented by a 24 hour crisis line. During 2018-19, 1720 individuals accessed the service out of which client's reported 450 episodes where they may have self-harmed/attempted suicide if it wasn't for the support help of Sanctuary.

The financial environment for SHS has become especially challenging as demonstrated by the Commissioners decision to cease funding for two key projects in 2019-20, namely:

- Sanctuary Services – The decision to cease funding sanctuary was very disappointing, particularly, when clients reported that without Sanctuary they would have called on A&E and/or emergency services 749 times during the year. Despite the challenging environment SHS continues to receive positive feedback for Sanctuary service from service users and staff across the group, who have expressed regret that the valued service will no longer be available to support individuals.

Peer Support – Funding for Peer Support will end in 2019-20. In 2018-19 a total of 79 new peer to peer clients were assessed and supported. Client surveys of the service indicated that 90% had learned and used new coping strategies.

Big Life Schools

Big Life Schools is a Multi Academy Trust which oversees both Longsight Community Primary and Unity Community Primary schools

Longsight Community Primary: During the year the school provided for the first time places in all year groups (Reception, Year 1, 2,3,4,5 and 6) catering for 213 pupils. At the school there were 19 different languages spoken by children and 86% of children had English as an additional language. Attendance for 2018-19 was 96.2% (2017-18: 95.7%).

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

Group Strategic Report (continued) For the Year Ended 31 March 2019

Unity Community Primary: During 2018-19 the school catered for 204 pupils (2017-18: 141 pupils). There were OVER 30 different languages spoken in the school, 85% of children have English as an additional language and 38% are at the early stages of learning English. 29% of pupils have no previous education or interrupted education and 28% of pupils qualified for Free School Meals. Unity attendance statistics were 95.5% (2017-18: 95.5%) just below the national average of 96.1%.

Principal risks and uncertainties

A risk management process is in place whereby risks are identified and mapped against their likelihood and impact, with appropriate mitigating actions identified. Each risk is assigned to a member of the Senior Management team. A Risk Register is maintained by the Finance Director and reported to all boards.

The changes in the economic climate and government's economic policy are high on the agenda as they continue to impact on funding. The group has developed a network of contacts with commissioners and policy makers. The group continues to explore different avenues of finance and continues to diversify income streams.

The Big Life Company Statement of Financial Position was negatively impacted by the consolidation of the subsidiary companies and this has been addressed through a recovery action plan. Payment by Results employment contracts have been challenging to deliver and have been now been exited along with the underperforming nurseries..

Operationally the services provided by the group are subject to legislative and quality standards, including Ofsted and CHAS (the Health and Safety Quality Standard). We are accredited with Investors in People Gold Standard, and Health and Well Being Award. We operate ISO9001 and ISO14001 quality standards. 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 from the three year Business Plan are set and monitored and their progress included within the Board Reports. They are categorised under four objectives:

Creating Opportunities

In the last year over 38,000 people used services provided by The Big Life group. It provided more than 375 people with volunteering opportunities.

Doing Good Business

Group turnover increased this year from £16,939,496 to £17,947,290.

Improving What We Do

Staff surveys indicated that 98% of staff are committed to the success of the group and 95% would recommend it as an employer. Sickness levels have risen to 4.2%. 29% of staff live within 2 miles of where they work and 30% are from BME communities.

Influencing

This year The Big Life group's websites were visited by 295,415 people, with followers on Twitter of 17,641 and stories on Facebook reaching over 988,901 people.

This report was approved by the board on 14 November 2019 and signed on its behalf by:



F Selvan
Director

The Big Life Company Limited

(A Company Limited by Guarantee)

Directors' Report **For the Year Ended 31 March 2019**

The directors present their report and the financial statements for the year ended 31 March 2019.

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 Big Issue North Ltd (the latter three entities were dormant and dissolved in 2019-20). The charities within the group include: Self Help Services Ltd, Big Issue North Trust Ltd, Big Life Schools (formerly Longsight Community Primary Ltd) and Big Life Centres. The group has made changes toward simplifying its legal structure and in 2017 the social enterprises were all brought into the Big Life Company. The operating model was also 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 2019 in determining that Big Life is a going concern.

Results and dividends

The profit for the year, before taxation, amounted to £75,160 (2018 - £216,960 loss).

Directors

The directors who served during the year were:

F Selvan
P Butler
A Beswick
E Robinson
C Price
R Scorer
M Alavi
A Shah
L Grant
P Alty (Appointed 14 March 2019)

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 (A Company Limited by Guarantee)

Directors' Report (continued)
For the Year Ended 31 March 2019

Environmental matters

The group seeks 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. We have secured ISO 14001, an Environmental Standard, and NOW 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 final year of the business plan 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 Statement of Financial Position 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.

The Big Life group is committed to fairness and has HR policies and procedures to ensure that it attracts and retains a quality workforce. The group monitors the pay ratio (between the highest and medium paid staff) and is pleased that this is just 1:3.6.

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

Directors' Report (continued)
For the Year Ended 31 March 2019

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.

Disclosure of information to auditor

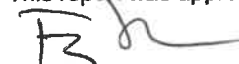
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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, Beever and Struthers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 November 2019 and signed on its behalf by:



F Selvan
Director

The Big Life Company Limited
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Directors' Responsibilities Statement
For the Year Ended 31 March 2019

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 (A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of The Big Life Company Limited "the parent company" and its subsidiaries ("the group") for the year ended 31 March 2019 which comprise the consolidated Statement of Comprehensive Income, the consolidated and parent company Statement of Financial Position, the consolidated and parent company Statement of Changes in Equity, the consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Big Life Company Limited

(A Company Limited by Guarantee)

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

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

Matters on which we are required to report by exception

In the light of 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Use of our report

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.

Beever and Struthers

Maria Hallows (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
St George's House
215/219 Chester Road
Manchester
M15 4JE

Date: 21.11.19

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

Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	17,947,290	16,939,496
Cost of sales		(14,823,076)	(12,370,912)
Gross profit		3,124,214	4,568,584
Administrative expenses		(3,519,766)	(5,111,521)
Loss on disposal of assets		-	(50,623)
Other operating income	5	476,190	379,427
Operating profit/(loss)	6	80,638	(214,133)
Interest receivable	10	1,830	929
Interest payable	11	(7,308)	(3,756)
		75,160	(216,960)
Tax on profit	12	(76,684)	(10,522)
Loss for the financial year		(1,524)	(227,482)
Actuarial gain in respect of pension scheme	24	59,000	-
Total comprehensive income for the financial year		57,476	(227,482)

All activities of the group are from continuing operations.

The notes on pages 18 to 42 form part of these financial statements.

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

Consolidated Statement of Financial Position
As at 31 March 2019

	Note	2019	2019 £	2018 £	2018
Fixed assets					
Tangible assets	13		10,604,952		10,899,784
			<u>10,604,952</u>		<u>10,899,784</u>
Current assets					
Debtors	15	1,866,404		1,627,883	
Cash at bank and in hand	16	2,919,323		3,173,477	
			<u>4,785,727</u>	<u>4,801,360</u>	
Creditors: amounts falling due within one year	17	(2,798,256)		(3,096,893)	
			<u>1,987,471</u>		<u>1,704,467</u>
Net current assets			<u>1,987,471</u>		<u>1,704,467</u>
Total assets less current liabilities			<u>12,592,423</u>		<u>12,604,251</u>
Creditors: amounts falling due after more than one year	18		(1,464,177)		(1,581,481)
Defined benefit pension scheme liability	24		(83,000)		(35,000)
			<u>11,045,246</u>		<u>10,987,770</u>
Net assets			<u>11,045,246</u>		<u>10,987,770</u>
Members' funds					
Profit and loss account	22		11,045,246		10,987,770
Equity attributable to owners of the parent company			<u>11,045,246</u>		<u>10,987,770</u>

The financial statements on pages 12 to 42 were approved and authorised for issue by the board on 14 November 2019 and were signed on its behalf by:



F Selvan
Director

The notes on pages 18 to 42 form part of these financial statements.

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

Company Statement of Financial Position
As at 31 March 2019

	Note	2019 £	2018
Fixed assets			
Tangible assets	13	1,840,417	1,927,604
Investments	14	3	3
		<u>1,840,420</u>	<u>1,927,607</u>
Current assets			
Debtors	15	568,643	824,538
Cash at bank and in hand	16	579,592	144,511
		<u>1,148,235</u>	<u>969,049</u>
Creditors: amounts falling due within one year	17	(1,442,342)	(1,522,833)
Net current (liabilities)		<u>(294,107)</u>	<u>(553,784)</u>
Total assets less current liabilities		<u>1,546,313</u>	<u>1,373,823</u>
Creditors: amounts falling due after more than one year	18	(1,464,177)	(1,581,481)
Defined benefit pension scheme liability	24	(49,000)	-
Net assets/(liabilities)		<u><u>33,136</u></u>	<u><u>(207,658)</u></u>
Members' funds			
Profit and loss account	22	33,136	(207,658)
		<u><u>33,136</u></u>	<u><u>(207,658)</u></u>

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 profit after tax of the parent Company for the year was £240,794 (2018 profit - £46,469).

The financial statements on pages 12 to 42 were approved and authorised for issue by the board on 14 November 2019 and were signed on its behalf by:


F Selvan
Director

The notes on pages 18 to 42 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 2019

	Profit and loss account	Total equity
	£	£
At 1 April 2018	10,987,770	10,987,770
Comprehensive income for the year		
Loss for the year	(1,524)	(1,524)
Actuarial gain in respect of pension scheme	59,000	59,000
	<hr/>	<hr/>
Total comprehensive income for the year	57,476	57,476
	<hr/>	<hr/>
At 31 March 2019	11,045,246	11,045,246
	<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2018

	Profit and loss account	Total equity
	£	£
At 1 April 2017	11,215,252	11,215,252
Comprehensive income for the year		
Loss for the year	(227,482)	(227,482)
	<hr/>	<hr/>
Total comprehensive income for the year	(227,482)	(227,482)
	<hr/>	<hr/>
At 31 March 2018	10,987,770	10,987,770
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 42 form part of these financial statements.

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

**Company Statement of Changes in Equity
For the Year Ended 31 March 2019**

	Profit and loss account £	Total equity £
At 1 April 2018	(207,658)	(207,658)
Comprehensive income for the year		
Profit for the year	209,794	209,794
Actuarial gain in respect of pension scheme	31,000	31,000
	<hr/>	<hr/>
Total comprehensive income for the year	240,794	240,794
	<hr/>	<hr/>
At 31 March 2019	33,136	33,136
	<hr/> <hr/>	<hr/> <hr/>

**Company Statement of Changes in Equity
For the Year Ended 31 March 2018**

	Profit and loss account £	Total equity £
At 1 April 2017	(254,127)	(254,127)
Comprehensive income for the year		
Profit for the year	46,469	46,469
	<hr/>	<hr/>
Total comprehensive income for the year	46,469	46,469
	<hr/>	<hr/>
At 31 March 2018	(207,658)	(207,658)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 42 form part of these financial statements.

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

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(1,524)	(227,482)
Adjustments for:		
Depreciation of tangible assets	441,144	469,911
Loss on disposal of tangible assets	-	56,577
Government grants	(3,879,111)	(2,418,605)
Interest payable	7,308	3,756
Interest receivable	(1,830)	(929)
Taxation expense	76,684	-
(Increase) in debtors	(236,973)	(170,434)
(Decrease)/Increase in creditors	(418,852)	185,023
Increase in defined benefit pension scheme liability	103,000	-
Interest paid	(3,308)	(3,756)
Corporation tax paid	(37,998)	-
Net cash used in operating activities	(3,951,460)	(2,105,939)
Cash flows from investing activities		
Purchase of tangible fixed assets	(146,312)	(251,214)
Interest received	1,830	929
Government grants received	3,879,111	2,418,605
Net cash from investing activities	3,734,629	2,168,320
Cash flows from financing activities		
Repayment of loans	(37,323)	(122,968)
Net cash used in financing activities	(37,323)	(122,968)
Net (decrease) in cash and cash equivalents	(254,154)	(60,587)
Cash and cash equivalents at beginning of year	3,173,477	3,234,064
Cash and cash equivalents at the end of year	2,919,323	3,173,477
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	2,919,323	3,173,477

The notes on pages 18 to 42 form part of these financial statements.

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

Notes to the Financial Statements For the Year Ended 31 March 2019

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 Statement of Financial Position, 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

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2019

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 the Statement of Comprehensive Income during the period in which they are incurred.

The Big Life Company Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2019

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.

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

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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 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 Statement of Financial Position 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

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 March 2019

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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit scheme

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

The TPS and NHS pension schemes are unfunded schemes 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 schemes are multi-employer schemes and there is insufficient information available to use defined benefit accounting. The schemes are therefore treated as defined contribution schemes 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 Statement of Financial Position 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.

There is an agreement between The Big Life Company Limited and Big Life Centres confirming Big Life Centres will reimburse The Big Life Company Limited for all expenses and payments which are incurred in connection with the Greater Manchester Pension Fund in respect of the employee who works for Big Life Centres. This is confirmed in a letter signed by the Trustees of Big Life Centres dated 11 November 2019. Accordingly, such costs incurred in respect of the pension liability have been recharged to Big Life Centres and a corresponding asset has been recognised in the individual financial statements of The Big Life Company Limited.

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

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

Notes to the Financial Statements For the Year Ended 31 March 2019

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 Statement of Financial Position 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 Statement of Financial Position.

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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position date.

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

Notes to the Financial Statements For the Year Ended 31 March 2019

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:

	2019 £	2018 £
Nursery services	1,767,084	2,425,636
Management services	52,987	23,756
Employment services	50,484	301,479
Magazine and related sales	850,446	922,642
Charitable activities	12,490,724	7,658,938
Charitable grants	332,598	3,414,337
Education services	2,402,967	2,192,708
	17,947,290	16,939,496

All turnover arose within the United Kingdom.

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

Notes to the Financial Statements
For the Year Ended 31 March 2019

5. Other operating income

	2019	2018
	£	£
Big Life Schools capital grant income	104,416	225,897
Rents receivable	371,774	153,530
	476,190	379,427
	476,190	379,427

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	441,144	469,911
Release of capital grants	(83,099)	(86,857)
Defined contribution pension cost	508,096	421,046
	508,096	421,046
	508,096	421,046

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Group's auditor (excluding VAT) in respect of:		
The audit of the Group's annual accounts	34,040	31,844
Other fees for non-audit services	7,660	21,987
	34,040	31,844
	34,040	31,844

The fee for the audit of the Company's accounts was £11,777 (2018 £10,738)

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

Notes to the Financial Statements
For the Year Ended 31 March 2019

8. Employees

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

	2019 £	2018 £
Wages and salaries	10,184,589	9,891,004
Social security costs	775,708	730,725
Cost of defined contribution scheme	508,096	421,046
Cost of defined benefit scheme	63,000	38,000
	<u>11,531,393</u>	<u>11,080,775</u>

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

	2019 No.	2018 No.
Management and administration	27	36
Family and childcare	83	104
Advisors, Trainees, Employment	3	17
Centres services	67	76
Mental Health Services	160	130
Big Issue and Trust Services	22	21
Education	37	47
	<u>399</u>	<u>431</u>

The average number of employees employed by the parent company in the year, including directors, was 128 (2018 - 174).

The company incurred wages and salary costs of £2,427,321 (2018 - £3,334,707), social security costs of £158,225 (2018 - £236,758) and pension costs of £72,391 (2018 - £71,514).

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

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

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	338,106	290,068
Company contributions to defined contribution pension schemes	14,102	10,255
	352,208	300,323
	352,208	300,323

During the year retirement benefits were accruing to 4 directors (2018 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £85,375 (2018 - £80,004).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,692 (2018 - £3,254).

10. Interest receivable

	2019 £	2018 £
Other interest receivable	1,830	929
	1,830	929
	1,830	929

11. Interest payable

	2019 £	2018 £
Bank interest payable	3,308	3,756
Net interest on defined benefit liability	4,000	-
	7,308	3,756
	7,308	3,756

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

Notes to the Financial Statements
For the Year Ended 31 March 2019

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	80,643	40,409
Adjustments in respect of previous periods	(2,411)	-
	78,232	40,409
Deferred tax		
Origination and reversal of timing differences	(1,548)	(29,887)
Other adjustment	-	-
	76,684	10,522
	76,684	10,522

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate corporation tax of 19%.
The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	75,160	(216,960)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 -19%)	14,280	(41,222)
Effects of:		
Expenses not deductible for tax purposes	16,460	24,240
Capital allowances in excess of depreciation	(1,788)	2,599
Utilisation of tax losses	-	9,803
Other timing differences	5,650	2,742
Other differences	-	(9,803)
Surpluses exempt from tax	46,041	52,050
	80,643	40,409
Total Tax charge for the year	80,643	40,409

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

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

13. Tangible fixed assets

Group

Cost or valuation	Long-term leasehold property £	Short- term leasehold property £	Furniture, fittings and equipment £	Total £
At 1 April 2018	11,058,194	1,323,969	927,628	13,309,791
Additions	-	55,194	91,118	146,312
	<u>11,058,194</u>	<u>1,379,163</u>	<u>1,018,746</u>	<u>13,456,103</u>
Depreciation				
At 1 April 2018	1,046,287	716,642	647,078	2,410,007
Charge for the year on owned assets	213,365	63,459	164,320	441,144
Disposals	-	-	-	-
	<u>1,259,652</u>	<u>780,101</u>	<u>811,398</u>	<u>2,851,151</u>
Net book value				
At 31 March 2019	<u>9,798,542</u>	<u>599,062</u>	<u>207,348</u>	<u>10,604,952</u>
At 31 March 2018	<u>10,011,907</u>	<u>607,327</u>	<u>280,550</u>	<u>10,899,784</u>

Included within long-term leasehold property is £Nil (2018 - Nil) of assets under construction.

Included within long-term leasehold property is £112,000 (2018 - £112,000) of land.

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

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

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 2018	1,580,966	1,287,096	134,736	3,002,798
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	<u><u>1,580,966</u></u>	<u><u>1,287,096</u></u>	<u><u>134,736</u></u>	<u><u>3,002,798</u></u>
Depreciation				
At 1 April 2018	252,953	703,376	118,865	1,075,194
Charge for the year on owned assets	31,619	51,483	4,085	87,187
Disposals	-	-	-	-
At 31 March 2019	<u><u>284,572</u></u>	<u><u>754,859</u></u>	<u><u>122,950</u></u>	<u><u>1,162,381</u></u>
Net book value				
At 31 March 2019	<u><u>1,296,394</u></u>	<u><u>532,237</u></u>	<u><u>11,786</u></u>	<u><u>1,840,417</u></u>
At 31 March 2018	<u><u>1,328,013</u></u>	<u><u>583,720</u></u>	<u><u>15,871</u></u>	<u><u>1,927,604</u></u>

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

Notes to the Financial Statements For the Year Ended 31 March 2019

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 Ltd (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 Schools Ltd (Reg no. 07945230)	Charitable company limited by guarantee	N/A	Multi Academy Trust

Big Life Enterprises Ltd was dissolved on 5 March 2019.

Big Life Families Ltd was dissolved on 30 April 2019.

Big Issue North Ltd was dissolved on 23 July 2019.

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2019

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies
Cost or valuation	
At 1 April 2018	3
At 31 March 2019	3
Net book value	
At 31 March 2018	3
At 31 March 2019	3

15. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,473,683	1,150,943	377,742	655,864
Other debtors	3,099	101,986	7,247	7,503
Amounts due from group undertakings in relation to pension	-	-	49,000	-
Prepayments and accrued income	358,187	345,067	103,219	131,284
Deferred tax (note 21)	31,435	29,887	31,435	29,887
	1,866,404	1,627,883	568,643	824,538

The impairment loss recognised in the group Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £2,015 (2018 - £12,597.) The impairment loss recognised in the company Statement of Comprehensive Income for the year in respect of bad and doubtful debtors was £1,672 (2018 - £12,597).

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

Notes to the Financial Statements
For the Year Ended 31 March 2019

16. Cash and cash equivalents	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>2,919,323</u>	<u>3,173,477</u>	<u>579,592</u>	<u>144,511</u>

17. Creditors: Amounts falling due within one year	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (secured)	38,104	37,464	38,104	37,464
Trade creditors	480,207	721,016	100,004	208,421
Amounts owed to group undertakings	-	-	668,066	600,304
Corporation tax	80,643	40,953	80,643	40,953
Other taxation and social security	367,338	359,349	280,840	279,507
Other creditors	171,467	124,419	111,733	112,896
Accruals and deferred income	1,577,398	1,723,223	79,853	152,819
Deferred grant	83,099	90,469	83,099	90,469
	<u>2,798,256</u>	<u>3,096,893</u>	<u>1,442,342</u>	<u>1,522,833</u>

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 Statement of Comprehensive Income in line with the depreciation charged on the relevant assets.

18. Creditors: Amounts falling due after more than one year	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (secured)	69,200	107,163	69,200	107,163
Deferred grant	1,394,977	1,474,318	1,394,977	1,474,318
	<u>1,464,177</u>	<u>1,581,481</u>	<u>1,464,177</u>	<u>1,581,481</u>

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19. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due:				
In less than on year	38,104	37,464	38,104	37,464
Between one and two years	39,247	38,411	39,247	38,411
	<u>107,304</u>	<u>144,627</u>	<u>107,304</u>	<u>144,627</u>

The bank loan of £107,304 (2018 - £144,627) is repayable by instalment over a period of 20 years from the loan drawdown. The interest rate on the loan is 2% 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 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>4,459,479</u>	<u>4,575,302</u>	<u>971,299</u>	<u>871,599</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(1,414,349)</u>	<u>(1,530,789)</u>	<u>(1,054,130)</u>	<u>(1,230,929)</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

	2019 £	2018 £
At beginning of year	29,887	-
Charged to profit or loss	1,548	29,887
At end of year	<u>31,435</u>	<u>29,887</u>

Company

	2019 £	2018 £
At beginning of year	29,887	-
Charged to profit or loss	1,548	29,887
At end of year	<u>31,435</u>	<u>29,887</u>

	2019 £	2018 £
Accelerated capital allowances	5,164	9,414
Short term timing differences	26,271	20,473
	<u>31,435</u>	<u>29,887</u>

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Notes to the Financial Statements For the Year Ended 31 March 2019

22. Members' funds

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.

24. Pension commitments

The group operates four pension schemes.

(A) 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.

(B) National Health Service Pension Scheme

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 covers 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".

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Notes to the Financial Statements For the Year Ended 31 March 2019

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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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) Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

A full actuarial (funding) valuation is undertaken every four years and its purpose is to assess the liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from 1 April 2019. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation, however, on 30 January 2019 the Government announced a pause to the cost control mechanism which was to form part of the valuation. This was due to the Court of Appeal ruling in December 2018 relating to the transitional protection offered to some members in the 2015 pension reforms.

However, the part of the 2016 actuarial valuation which calculates the employer contribution rate required from April 2019 to meet the cost of Scheme benefits has been completed. The DHSC have recently laid Scheme Regulations confirming that the employer contribution rate will be 20.6% of pensionable pay from this date.

(C) Local Government Scheme - The Greater Manchester Pension Fund (GMPF)

GMPF is a defined benefit pension scheme for a small number of eligible employees within Big Life Schools and Big Life Centres. Related costs are assessed annually in accordance with the advice of professionally qualified actuaries. For the period up to 31 March 2018 the assessed deficit was considered not material and accounted for as defined contribution schemes as permitted by FRS102.

For the year to 31 March 2019 changes in the financial assumptions used by the Actuary to value the fund have resulted in the assessed deficit now being considered material and has been accounted for in accordance with FRS 102 and is shown below.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2019 was £39,000 (2018: £23,000), of which employer's contributions totalled £30,000 (2018: £17,000) and employees' contributions totalled £9,000 (2018: £6,000). The agreed contribution rates for future years are 17.2 per cent for employers and between 5.5 to 12.5 per cent for employees.

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Principal actuarial assumptions

Group and Company	2019	2018
Pension increase rate (CPI)	2.3%	2.4%
Salary increase rate	3.1%	3.2%
Discount rate	2.8%	2.5%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019	2018
<i>Retiring today</i>		
Males	21.5	21.5
Females	24.1	24.1
<i>Retiring in 20 years</i>		
Males	23.7	23.7
Females	26.2	26.2

Analysis of amounts charged to the Statement of Comprehensive Income

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Current service cost	63,000	38,000	15,000	-
Net interest cost	4,000	-	3,000	-
	<u>67,000</u>	<u>38,000</u>	<u>18,000</u>	<u>-</u>

Amounts recognised in Other Comprehensive Income

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Actuarial gain	59,000	7,000	31,000	-
	<u>59,000</u>	<u>7,000</u>	<u>31,000</u>	<u>-</u>

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Amounts recognised in the Statement of Financial Position

The amounts included in the Statement of Financial Position arising from the Group's and Company's obligations in respect of the defined benefit scheme are as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Present value of defined benefit obligations	(414,000)	(94,000)	(288,000)	-
Fair value of plan assets	331,000	59,000	239,000	-
Total obligations recognised	<u>(83,000)</u>	<u>(35,000)</u>	<u>(49,000)</u>	<u>-</u>

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

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Opening defined benefit obligation	371,000	50,000	277,000	-
Current service cost	63,000	38,000	15,000	-
Interest cost on defined benefit obligation	14,000	1,000	11,000	-
Plan participants' contributions	9,000	6,000	2,000	-
Changes in demographic assumptions	(17,000)	1,000	(17,000)	-
Changes in financial assumptions	(26,000)	(6,000)	-	-
Other experience	-	4,000	-	-
Closing defined benefit obligation	<u>414,000</u>	<u>94,000</u>	<u>288,000</u>	<u>-</u>

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

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Opening fair value of plan assets	266,000	29,000	207,000	-
Interest income on plan assets	10,000	1,000	8,000	-
Plan participants' contributions	9,000	6,000	2,000	-
Employer contributions	30,000	17,000	8,000	-
Return on assets excluding amounts included in net interest	16,000	6,000	14,000	-
Closing fair value of plan assets	<u>331,000</u>	<u>59,000</u>	<u>239,000</u>	<u>-</u>

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(D) Teachers' Pension Superannuation Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £123,091 (2018: £101,241).

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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 group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group has set out above the information available on the scheme.

25. Commitments under operating leases

At 31 March 2019 the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	79,110	84,797	35,099	35,722
Later than 1 year and not later than 5 years	144,853	137,947	96,348	65,193
Later than 5 years	48,169	59,069	48,169	59,069
	<u>272,132</u>	<u>281,813</u>	<u>179,616</u>	<u>159,984</u>

The Company had no commitments under the non-cancellable operating leases as at the prior year Statement of Financial Position date.

26. 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 2019 £	Company 2018 £
Big Life Centres	8,345	64,503
Big Issue North Trust Ltd	1,945	18,861
Self Help Services Ltd	(314,761)	(241,843)
Big Life Schools	(3,094)	12,674

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

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27. Related Party transactions (continued)

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

	Company	Company
	2019	2018
	£	£
Big Life Centres	761,097	434,447
Big Issue North Trust Ltd	55,289	49,058
Big Life Schools	127,912	88,020
Self Help Services Ltd	867,057	519,068

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

	Company	Company
	2019	2018
	£	£
Big Life Centres	35,952	96,279
Big Issue North Trust Ltd	-	-
Big Life Schools	-	-
Self Help Services Ltd	15,684	2,988,968

28. Controlling party

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

