

The Big Life Company Limited

(a company limited by guarantee)

Annual Report

Year Ended

31 March 2021

Company Number 04227431

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

Company Information

Director	F Selvan P Butler A Beswick (Resigned 27 July 2020) E Robinson C Price R Scorer A Shah L Grant P Alty E Gale (Appointed 11 May 2020) E Eaton (Appointed 1 April 2021) S Kweeday (Appointed 1 April 2021) K Smith (Appointed 1 April 2021)
Company secretary	R McMorrow (Resigned 1 August 2021) V Vickers (Appointed 1 August 2021)
Registered number	04227431
Registered office	1 st Floor 463 Stretford Road Manchester M16 9AB
Bankers	Santander Bridle Road Bootle Merseyside L30 4GB
External Auditor:	Beever and Struthers Statutory Auditor St George's House 215-219 Chester Road Manchester M15 4JE

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**Group Strategic Report
For the Year Ended 31 March 2021**

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 is in the business of changing lives. Its mission is to fight inequality by working with people and places to create opportunities and inspire change. We deliver health and wellbeing, skills and employment, children and family services and by starting where people are at, we help them get to where they want to be.

All Big Life work is done in the 'Big Life Way' which enables us to support people with all areas of their life, starting with whatever is most important to them. This is an approach that is underpinned by five principles

- We work with people on all areas of their lives and build on their skills and potential in everyone and value their life experience.
- We strive to provide a first class service which develops a person's resilience and is led by them and responds to their priorities.
- We never give in and celebrate a person's achievement as we understand that everyone has the capacity for change.
- We tread new ground and learn from feedback and innovate to respond to new challenges.
- We work in partnership with people and places to achieve more together than we can achieve alone.

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.

During the year Big Life Company delivered the following services:

Children's Centre: Longsight and Ardwick children's centres in Manchester , received in excess of 4000 visitors this year, which significantly less than the previous year (11,000) as a result of COVID-19. Throughout the lockdown, the Longsight Centre stayed open for essential services such as Maternity care and staff provided essential support and signposting, including access to food and hardship funds.

Nurseries: The Company managed the Longsight nursery and worked with 500 children , which was severely impacted by the COVID-19 pandemic as it was closed for parts of the year and families required less childcare due to furlough and working at home. Across the children and families division services were unable to utilise volunteers due to the impact of COVID, with many volunteering opportunities requiring access to a centre.

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Group Strategic Report (continued)
For the Year Ended 31 March 2021

Big Issue North: The group had 483 vendors selling the magazine with an average weekly circulation of 5521. During the year The Big Issue North had 10 students/work placements and 16 Volunteers. Vendor numbers and magazine circulation have been greatly affected by the Pandemic and lockdowns, which prevented Big Issue North from trading. In response to the Covid crisis cashless payment machines continued to be provided, to enable vendors to continue selling and magazines continued to be sold through supermarkets, throughout the year.

We continued to produce the New Issue quarterly magazine, a photo led coffee table magazine aimed at the corporate market. However, the magazine market was greatly affected by the Pandemic due to corporate venues being shut for the majority of the year and this provided a challenge in promoting and selling subscriptions to the Magazine.

As part of our ongoing restructure of the Big Issue North, we will be consolidating all services into the Big Issue North Trust Limited next year.

We continued to publish the New Issue quarterly magazine sold directly to subscribing individuals and businesses and engaged an external agency to sell subscriptions. However the Covid environment has meant sales have been slow and not achieved target however it is not yet clear if low sales are due to lockdowns or the product.

Big Life Homes: The group managed 24 low need supported housing flats in Liverpool (Belmont House, Kremlin Road and Moscow Drive). We are keen to expand this activity and have worked with social investors to secure finance to purchase additional accommodation in Liverpool which will be fully operational in 2021-22.

Learn Well: The group developed its online wellbeing platform and extended the services on offer to include bereavement and resilience courses to support people during the Covid crisis. Learn Well developed 12 new courses for staff and recorded 2,319 instances of training taking place. Learn Well now offers 19 courses to the public and 24 courses for staff and increased the number of people who use the platform to 472, close to our target of 500 a year.

Big Issue North Trust Limited

Big Issue North Trust Ltd is a charity which helps vendors who are selling the Big Issue North magazine through support and signposting. During the year the charity carried out 1,182 (2020:1,580) crisis interventions with vendors, assisted 41 (2020:121) clients into accommodation, provided 31 (2020:156) vendors with employment support and supported 1 (2020:49) vendor to access training. The charity provided 802 (2020:1,267) interventions around Health and Money issues. A total of 2 (2020: 15) vendors went into employment.

The charity is commissioned by Liverpool City Council to deliver a user engagement project Community Voice. The project had 4 volunteers, engaged with a total of 14 external forums, networks or service people and delivered 3 commissioned reviews, 2 around the impact of service provision in the covid Pandemic and one in relation the Dame Carol Black review. This year Community Voice saw a decrease in the number of people engaging in monthly service meetings but an increase in wellbeing support, supporting 120 people through 572 interventions to ensure CV members were supported through various barriers that the pandemic presented.

Volunteers from the previous Waves of Hope project continued to work with Community Voice, attending regional and national forums. All forums have been online over the year due to the Pandemic

The Covid 19 pandemic has severely impacted on vendors as during periods of lockdown they have been unable to sell the Big Issue North magazine and reduced footfall in city centres has impacted sales when not in lockdown. We established a hardship fund and raised money to support vendors with essential costs during this period. During the year vendor donations to the hardship fund amounted to £107,808 and resulted in 2,300 payments being made to over 300 vendors.

Big Issue North Trust secured investment and will be developing and launching Street News, a web-based news application in 2021-22 which will bring together international content from over 150 street papers. It is envisaged that Street News app will give people the chance to reach crucial stories from their own communities and every corner of the world, all on their mobile. The content of the app will raise the voice and awareness of marginalised communities around the world and the issues they face, while delivering positive change in the North of England. Income generated from app subscriptions will be a new source of income for Big Issue North Trust and help vendors in the North of England to make positive changes to their lives.

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Group Strategic Report (continued)
For the Year Ended 31 March 2021

The launch of Street News marks a significant development in that it will look from a global perspective at issues that affect people all over the world and give them the chance to have their voice heard, whilst retaining our core principle of creating positive change here in the North of England.

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 delivered wellbeing services in Manchester (Be Well) and Rochdale (Living Well) and Achieve Drug and Alcohol service in Bolton, Salford and Trafford.

For the whole year the Covid pandemic has had a significant impact on our ability to provide services in the way we would normally do. Services have adapted delivery modes to support clients within the constraints of all Government guidance. Despite the pandemic Big Life Centres case managed a total of 33,569 clients and achieved the following:

- Big Life Centres at Zion and Kath Locke had 4,886 visitors (2020: 142,149 visitors). The outbreak of Covid-19 impacted on visitor numbers throughout the year as the drop reflected groups, exercise classes and tenants working from home throughout the pandemic.
- Big Life Centres delivered the Rochdale Living Well service and during the year supported 3,329 clients (2020: 7,680 clients). They worked with 104 volunteers to ensure a rapid community response to Covid including door knocking to do myth busting, staffing testing sites and handing out PPE.
- The Achieve Drug and Alcohol Recovery Service operated across Bolton, Salford, and Trafford and this year Bury, a new commission for the Achieve Partnership. Big Life run the Assertive Outreach element of the service and this year we have supported 1,940 individuals. The service aims 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 objective is to decrease the numbers of high-risk individuals losing contact with structured treatment, reduce unsuccessful completions of treatment, and engage with new clients
- The Be Well wellbeing service worked with partner organisations including VCSE providers and housing providers to support 7,709 people (2020: 3,047 people). This included specific Covid support and the growth of the service into the North of the City and additional workers in specific GP practices.
- Wellbeing Matters aims to build capacity through volunteering and voluntary action in Salford and support people to connect to local community assets that support wellbeing and independence and reduce the need for intervention by health and care services. Throughout the year Wellbeing Matters provided social prescribing support and worked with 1,169 people (2020: 1,848 people).

Big Life Centres provided 173 people with volunteering opportunities during the year (2020: 187 people).

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Group Strategic Report (continued)
For the Year Ended 31 March 2021

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. SHS is one of the largest independent providers of NHS Primary mental health services in the North of England.

SHS delivers one to one cognitive behavioural therapy, counselling and e-therapy services and a range of workshops and peer support groups for NHS Manchester, Stockport, Salford, Trafford, Eastern Cheshire, and Heywood, Middleton and Rochdale CCGs. In addition, SHS is lead partner for the innovative Living Life Well project in Tameside and Glossop. This project is one of four pilot projects across the UK aimed at developing an integrated approach to working with people who have complex and enduring mental health needs.

Covid 19 severely affected our ability to deliver face-to-face therapy. Despite this, our staff quickly adapted to delivering therapy by telephone or online. We were pleased to note that the recovery rate for our clients was remained within the expected range. Some clients preferred to wait for face-to-face therapy, but we were able to continue to provide support in the interim. For example, the Thinking Ahead service in Rochdale had a list of 96 clients who were waiting for face-to-face therapy. These clients were supported the team who called each month to ensure that they had the opportunity to ask for help with other issues such as housing and employment, or to opt for telephone or online therapy. This amounted to approximately 50 hours per month of telephone contact in addition to their normal activities.

Peer support groups were also affected by the pandemic and were very much missed by regular participants. As a response we set up alternatives such as Facebook groups and restarted the traditional groups as soon as possible.

During the year SHS worked with over 19,000 clients and 655 people attending drop-in groups throughout the disrupted year. We maintained the level of service, and in some services reduced waiting lists significantly, by recruiting therapists via zoom and supporting the wellbeing of existing staff with flexible working patterns and team building events online. We also expanded our number of training places for therapists during this year.

The Covid pandemic has sharply highlighted the on-going need for mental health services. In Tameside and Glossop, we have worked with commissioners to provide a helpline for people struggling with a range of issues related to the Coronavirus pandemic.

SHS works with some of the most diverse communities in Greater Manchester. To ensure that our services are accessible to all communities, we aim to reflect this diversity in our staff teams and service delivery and offer services in ways that are accessible to local communities.

Big Life Schools

Big Life Schools is a Multi Academy Trust which oversees both Longsight Community Primary and Unity Community Primary schools. Both schools were closed during the first Pandemic lockdown and provided on-site education to key worker children during following periods of lockdown. The schools offered comprehensive on-line education through Class Dojo and Teams. They supported families with IT equipment, access to internet and food parcels/vouchers.

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Group Strategic Report (continued)

For the Year Ended 31 March 2021

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.

By far the biggest risk this year was the Coronavirus. This impacted our ability to deliver services safely for our staff and clients as well as our financial position. A Coronavirus Core Group oversaw the management of Health & Safety risk assessments and mitigations; advised staff and managers; and ensured clear communication. The group were able to delay planned investments and successfully secured grants and accessed government support to manage the financial risks.

At an operational level service provided by the Group are subject to legislative and quality standards, including CHAS (the Health and Safety Quality Standard), ISO 9001 and 14001. The Group also retained its Best Companies 2-star accreditation, (after narrowly missing out on the 3-star award) which evidenced outstanding levels of staff engagement. The Group was placed 64th in the UK's Best Large Companies to work for listing 2020-21.

Failure to maintain these standards impacts on the group's ability to retain and win contracts, therefore services are constantly reviewed and audited, and appropriate action taken to ensure targets are met and exceeded.

Key Performance Indicators

Targets are set and are monitored during the year, and their progress is included within the Board Reports. They are categorised under three key priority areas;

- To work with more people and places and create opportunities and inspire change
- To do good business with our social mission at the heart of all that we do
- To have an organisation that enables us to work in the Big Life Way

This report was approved by the board on 15 November 2021 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 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activities

The Big Life Group is a group of companies which aims to fight inequality by working with people and places to create opportunities and inspire change. The companies within the group this year included: The Big Life Company Limited, Big Life Families Ltd, and Big Issue North Ltd (the latter two 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 2021 in determining that Big Life is a going concern.

COVID-19 is not expected to have a significant impact on the entity in terms of going concern. Directors have determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern.

Results and dividends

The group experienced a very successful year with a 15% increase in turnover resulting in a group profit for the year, before taxation, of £906,946 (2020 - £54,981).

Directors

The directors who served during the year were:

F Selvan
P Butler
A Beswick (Resigned 27 July 2020)
E Robinson
C Price
R Scorer
A Shah
L Grant
P Alty
E Gale (Appointed 11 May 2020)
E Eaton (Appointed 1 April 2021)
S Kweeday (Appointed 1 April 2021)
K Smith (Appointed 1 April 2021)

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Directors' Report (continued)

For the Year Ended 31 March 2021

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.

Environmental matters

The group seeks to minimize 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. We are currently working on our environmental strategy which sets out steps to tackle our environmental impact, this will be reviewed in line with Greater Manchester's climate plan which was launched in 2019.

Future developments

The Big Life group is in the business of changing lives, and we fight inequality by working with people and places to create opportunities and inspire change. All our services work with people to support areas of their life and help remove obstacles which are barriers to individuals in changing their life for the better. We help people see the skills and support they already have so that they can build on it and reach their full potential.

Our work is done in the Big Life Way and is underpinned by five principles:

- We work with people on all areas of their lives and build on their skills and potential in everyone and value their life experience.
- We strive to provide a first-class service which develops a person's resilience and is led by them and responds to their priorities.
- We never give in and celebrate a person's achievement as we understand that everyone has the capacity for change.
- We tread new ground and learn from feedback and innovate to respond to new challenges.
- We work in partnership with people and places to achieve more together than we can achieve alone.

The Group's Business Plan 2020-25 has identified three key work priorities over the next five years which include

(1) To work with more people and places to create opportunities and inspire change:

- To work with more people to support them in all areas of their life.
- To will have volunteer opportunities in every service
- To increase the opportunities for people to engage with our services through the use of technology, such as online chats, video conferencing and virtual reality.
- To develop place-based plans for every area we work in, and develop partnerships and integrated

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Directors' Report (continued) For the Year Ended 31 March 2021

(2) We will be a 'good' business with our social mission at the heart of all that we do:

- To grow in our existing geographies to diversity our offer and move into new areas where there is an opportunity to develop significant roots to anchor ourselves in a community.
- To increase feedback to continually improve the quality of what we do
- To invest in our assets and technology and ensure we maximise efficiency and the quality of our data to drive service improvement.
- To reduce our carbon footprint and implement agile working.
- To ensure we have an appropriate legal structure that works for us and the people we work with.

(3) We will have an organisation that enables us to work in the Big Life Way:

- To have management structures, IT systems and change process that facilitate staff and services working together.
- To deliver our workforce strategy, ensuring we have diverse, trained and happy staff, as evidenced by achievement of Best Companies 3-Star accreditation.
- To have trained Multi-Modality Practitioners in every service and ensure all staff will be trained in strengths-based approaches.
- To develop tools for people to have control of their own stories and data.
- To ensure Service user engagement shapes our services
- To ensure all our services are informed by research and evaluation, and to measure the impact of our work.

Employee involvement

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 which measures the ratio between the highest paid member of staff and the average paid staff. The group's current pay ratio is 3.3 to 1 which can be compared favourably to the public sector pay ratio (12 to 1) and the FTSE 100 ratio (145 to 1).

The group carried out an ethnicity pay gap survey for the second time this year which illustrated that BAME staff are paid 7% less than staff who are White British. This is a reduction on the figure of 11.6% for 2019/20. During 2020/21 we worked to increase diversity at manager level by embedding the Graduate trainees and BAME career development programmes.

Employees continue to be extensively involved in shaping the current 5 Year 2020-25 Business Plan.

The Big Life group also retained Best Company Accreditation (Two Star) and narrowly missed out on achieving the higher 3 Star award. The accreditation demonstrates that Big Life is among the best places to work in the country and shows an 'outstanding' commitment to workplace engagement. The accreditation was the result of a rigorous externally monitored survey that evidenced the extent to which staff feel valued by their employer.

In response to Covid, the group implemented measures to support staff who were nearly all working from home, with many managing caring alongside their job. The staff wellbeing offer was updated and included guidance for managers around keeping in touch with staff throughout the pandemic and new initiatives launched including a forum, which enabled enabling people to keep up to date in an informal way, it also encourages social interaction about non-work-related topic such as music, baking and TV/films. A bereavement course was developed for Learn Well to support staff and volunteers who have lost people to Covid.

Staff who were furloughed during this year, received regular keeping in touch phone calls with their line manager and were able to continue to access Learn Well for personal development, along with the forum and kept in touch with teams at virtual lunches.

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Directors' Report (continued)
For the Year Ended 31 March 2021

This year the group encouraged staff to set up staff networks, self-organising groups around protected characteristics, offering an hour a month in work time and support from the HR team to co-ordinate. To date a Menopause network, BAME network and LGBTQI network have been set up.

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. 11% of staff in The Big Life group report having a disability. The group has an Equality and Diversity lead who champions diversity and works to continually improve the Big Life group staff experience for staff with any protected characteristic. Training for managers to support staff with disabilities or long-term conditions is continuously reviewed to ensure managers are confident using the internal and external resources available which support staff wellbeing. 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.

Directors' Responsibilities Statement

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 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 the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

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Directors' Report (continued)
For the Year Ended 31 March 2021

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 Statutory 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 15th November 2021 and signed on its behalf by:



F Selvan
Director

15 November 2021

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

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 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies in note 2. 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 2021 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 and parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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 period 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 the Board

As explained more fully in the Directors' Responsibilities Statement set out on pages 12 – 13, the Board is 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 Board determines 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 Board is 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 Board either intends to liquidate the Group or the parent Company or to cease operations, or has 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 website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and parent Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to taxation matters.

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

- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Sue Hutchinson FCCA (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: 20 December 2021

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

Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	22,400,180	19,525,352
Cost of sales		(18,565,866)	(16,644,593)
Gross profit		3,834,314	2,880,759
Administrative expenses		(3,375,042)	(3,326,272)
Other operating income	5	447,601	503,926
Operating profit	6	906,873	58,413
Interest receivable	10	6,073	3,773
Interest payable	11	(6,000)	(7,205)
		906,946	54,981
Tax on profit	12	(55,523)	(48,094)
Profit for the financial year		851,423	6,887
Actuarial loss in respect of pension scheme	23	(95,000)	(61,000)
Total comprehensive income/ (expenditure) for the financial year		756,423	(54,113)

All activities of the group are from continuing operations.

The notes on pages 23 to 46 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 2021

	Note	2021	2021 £	2020 £	2020
Fixed assets					
Tangible assets	13		10,967,349		10,475,740
Intangible fixed assets	14		65,520		-
			<u>11,032,869</u>		<u>10,475,740</u>
Current assets					
Debtors	16	1,408,729		2,223,367	
Cash at bank and in hand	17	4,176,203		3,296,807	
			<u>5,584,932</u>	<u>5,520,174</u>	
Creditors: amounts falling due within one year	18	(3,130,735)		(3,265,308)	
Net current assets			<u>2,454,197</u>		<u>2,254,866</u>
Total assets less current liabilities			<u>13,487,066</u>		<u>12,730,606</u>
Creditors: amounts falling due after more than one year	19		(1,362,510)		(1,512,473)
Defined benefit pension scheme liability	23		(377,000)		(227,000)
Net assets			<u><u>11,747,556</u></u>		<u><u>10,991,133</u></u>
Members' funds					
Profit and loss account	21		11,747,556		10,991,133
Equity attributable to owners of the parent company			<u><u>11,747,556</u></u>		<u><u>10,991,133</u></u>

The financial statements on pages 17 to 46 were approved and authorised for issue by the board on 15 November 2021 and were signed on its behalf by:

F Selvan
Director



The notes on pages 23 to 46 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 2021

	Note	2021 £	2020
Fixed assets			
Tangible assets	13	1,666,042	1,753,229
Investments	15	3	3
		<u>1,666,045</u>	<u>1,753,232</u>
Current assets			
Debtors	16	578,322	1,360,571
Cash at bank and in hand	17	944,264	483,286
		<u>1,522,586</u>	<u>1,843,857</u>
Creditors: amounts falling due within one year	18	(1,392,274)	(1,841,131)
Net current assets		<u>130,312</u>	<u>2,726</u>
Total assets less current liabilities		<u>1,796,357</u>	<u>1,755,958</u>
Creditors: amounts falling due after more than one year	19	(1,362,510)	(1,512,473)
Defined benefit pension scheme liability	23	(122,000)	(82,000)
Net assets		<u><u>311,847</u></u>	<u><u>161,485</u></u>
Members' funds			
Profit and loss account	21	311,847	161,485
		<u><u>311,847</u></u>	<u><u>161,485</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 £150,362 (2020 profit £128,349).

The financial statements on pages 17 to 46 were approved and authorised for issue by the board on 15th November 2021 and were signed on its behalf by:


F Selvan
Director

The notes on pages 23 to 46 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 2021

	Profit and loss account	Total equity
	£	£
At 1 April 2020	10,991,133	10,991,133
Comprehensive income for the year		
Profit for the year	851,423	851,423
Actuarial loss in respect of pension scheme	(95,000)	(95,000)
	<hr/>	<hr/>
Total comprehensive income for the year	756,423	756,423
	<hr/>	<hr/>
At 31 March 2021	11,747,556	11,747,556
	<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2020

	Profit and loss account	Total equity
	£	£
At 1 April 2019	11,045,246	11,045,246
Comprehensive income for the year		
Profit for the year	6,887	6,887
Actuarial loss in respect of pension scheme	(61,000)	(61,000)
	<hr/>	<hr/>
Total comprehensive income for the year	(54,113)	(54,113)
	<hr/>	<hr/>
At 31 March 2020	10,991,133	10,991,133
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 46 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 2021

	Profit and loss account	Total equity
	£	£
At 1 April 2020	161,485	161,485
Comprehensive income for the year		
Profit for the year	183,362	183,362
Actuarial loss in respect of pension scheme	(33,000)	(33,000)
	<hr/>	<hr/>
Total comprehensive income for the year	150,362	150,362
	<hr/>	<hr/>
At 31 March 2021	311,847	311,847
	<hr/> <hr/>	<hr/> <hr/>

Company Statement of Changes in Equity For the Year Ended 31 March 2020

	Profit and loss account	Total equity
	£	£
At 1 April 2019	33,136	33,136
Comprehensive income for the year		
Profit for the year	145,349	145,349
Actuarial loss in respect of pension scheme	(17,000)	(17,000)
	<hr/>	<hr/>
Total comprehensive income for the year	128,349	128,349
	<hr/>	<hr/>
At 31 March 2020	161,485	161,485
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 46 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 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	851,423	6,887
Adjustments for:		
Depreciation of tangible assets	377,262	434,137
Loss on disposal of tangible assets	9,778	-
Government grants	(1,101,395)	(4,125,195)
Interest payable	6,000	7,205
Interest receivable	(6,073)	(3,773)
Taxation expense	55,523	48,094
Decrease / (increase) in debtors	822,210	(355,669)
(Decrease) / increase in creditors	(298,243)	653,907
Pension costs less contributions payable	49,000	77,000
Interest paid	-	(1,205)
Corporation tax paid	(49,388)	(80,643)
Net cash from/(used in) operating activities	<u>716,097</u>	<u>(3,339,255)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(878,649)	(304,925)
Purchase of intangible fixed assets	(65,520)	-
Interest received	6,073	3,773
Government grants received	1,101,395	4,125,195
Net cash from investing activities	<u>163,299</u>	<u>3,824,043</u>
Cash flows from financing activities		
Repayment of loans	-	(107,304)
Net cash used in financing activities	<u>-</u>	<u>(107,304)</u>
Net increase in cash and cash equivalents	<u>879,396</u>	<u>377,484</u>
Cash and cash equivalents at beginning of year	3,296,807	2,919,323
Cash and cash equivalents at the end of year	<u>4,176,203</u>	<u>3,296,807</u>
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	<u>4,176,203</u>	<u>3,296,807</u>

The notes on pages 23 to 46 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 2021**

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 Group 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 financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future, there are no material uncertainties about the charity's ability to continue as a going concern and the Trustees consider it appropriate to continue to prepare the financial statements on a going concern basis.

COVID-19 is currently not expected to have a significant impact on the group and company.

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.
- 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 parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

The Big Life Company Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2021

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 2021**

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 Intangible Fixed Assets

Website applications purchased and developed, or developed in house, are intangible assets. Cost is measured initially at acquisition cost or costs incurred to develop the asset. Development expenditure incurred on an individual project is capitalised only if specific criteria are met including that it is probable that the asset created will generate future economic benefits.

Amortisation is provided to write off the cost of intangible fixed assets over their expected normal lives as follows:

- Website applications are amortised on a straight-line basis over 4 years.

Website applications under development are not amortised until completed.

2.10 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.

2.11 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.

The Big Life Company Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements **For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.12 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 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.

2.13 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.

2.14 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.

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

Notes to the Financial Statements
For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.15 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.

2.16 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 23, 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

The Big Life Company Limited

(A Company Limited by Guarantee)

Notes to the Financial Statements **For the Year Ended 31 March 2021**

2 Accounting policies (continued)

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 23.

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 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.

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.

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

Notes to the Financial Statements For the Year Ended 31 March 2021

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

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 13)

Tangible fixed assets 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.

Intangible fixed assets are amortised 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 a 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.

Defined benefit pension obligations. Management's estimate of the defined benefit obligations is based on a number of critical underlying assumptions such as the standard rates of inflation, mortality, discount rate and anticipation of future salary increase. Variation in these assumptions may significantly impact the obligation amount and the annual defined benefit expenses

4. Analysis of turnover

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

	2021 £	2020 £
Nursery services	1,260,537	1,569,362
Management services	385,127	48,883
Employment services	-	15,626
Magazine and related sales	564,381	805,199
Charitable activities	16,537,706	14,149,933
Charitable grants	299,949	157,161
Education services	3,071,077	2,777,854
Wages Furlough income	281,403	1,334
	<u>22,400,180</u>	<u>19,525,352</u>

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 2021

5. Other operating income

	2021	2020
	£	£
Big Life Schools capital grant income	12,590	122,022
Rents receivable and similar income	435,011	381,904
	447,601	503,926

6. Operating profit

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	377,262	434,137
Operating lease rentals – land and buildings	198,500	76,422
Operating lease rentals – office equipment	19,865	17,114
Operating lease rentals – motor vehicles	8,451	10,277
Release of capital grants	(83,099)	(83,099)
Defined contribution pension cost	799,178	802,459

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor (excluding VAT) in respect of:		
The audit of the financial statements of the company	13,050	11,978
The audit of the financial statements of the subsidiaries	24,685	22,472
Other fees for non-audit services	6,105	5,820

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

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Employees

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

	2021 £	2020 £
Wages and salaries	12,555,410	10,959,554
Social security costs	1,015,517	864,826
Cost of defined contribution scheme	799,178	802,459
Cost of defined benefit scheme	109,000	141,000
	<u>14,479,105</u>	<u>12,767,839</u>

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

	2021 No.	2020 No.
Management and administration	33	33
Family and childcare	38	74
Advisors, Trainees, Employment	1	3
Centres services	122	101
Mental Health Services	189	161
Big Issue and Trust Services	16	20
Education	78	43
	<u>477</u>	<u>435</u>

The average number of employees employed by the parent company in the year, including directors, was 126 (2020 - 122).

The company incurred wages and salary costs of £2,268,447 (2020 - £2,255,119), social security costs of £178,171 (2020 - £167,465) and pension costs of £89,730 (2020 - £87,592).

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2021

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	352,000	338,000
Company contributions to defined contribution pension schemes	16,250	15,500
	<u>368,250</u>	<u>353,500</u>

During the year retirement benefits were accruing to 4 directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £90,000 (2020 - £85,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,250 (2020 - £4,250).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>6,073</u>	<u>3,773</u>

11. Interest payable

	2021 £	2020 £
Bank interest payable	-	1,205
Net interest on defined benefit liability	6,000	6,000
	<u>6,000</u>	<u>7,205</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2021

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	63,095	49,388
Adjustments in respect of prior periods	-	-
Total current tax	<u>63,095</u>	<u>49,388</u>
Deferred tax		
Origination and reversal of timing differences	(7,573)	(75)
Adjustments in respect of prior periods	-	(1,219)
Effect of tax rate on opening liability	1	-
Taxation on profit on ordinary activities	<u><u>55,523</u></u>	<u><u>48,094</u></u>

Factors affecting tax charge for the year

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

	2021 £	2020 £
Profit on ordinary activities before tax	<u><u>906,946</u></u>	<u><u>54,981</u></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	<u><u>172,320</u></u>	<u><u>10,446</u></u>
Effects of:		
Expenses not deductible for tax purposes	15,790	15,790
Capital allowances in excess of depreciation	(497)	(776)
Other timing differences	8,070	851
Other differences	(1)	(1)
Surpluses exempt from tax	(132,587)	23,078
Total Tax charge for the year	<u><u>63,095</u></u>	<u><u>49,388</u></u>

The Big Life Company Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2021

13. Tangible fixed assets

Group

	Long-term leasehold property	Short- term leasehold property	Furniture, fittings and equipment	Total
Cost or valuation	£	£	£	£
At 1 April 2020	11,276,998	1,387,283	1,059,875	13,724,156
Additions	878,649	-	-	878,649
Disposals	-	-	(9,778)	(9,778)
	<u>12,155,647</u>	<u>1,387,283</u>	<u>1,050,097</u>	<u>14,593,027</u>
At 31 March 2021	<u>12,155,647</u>	<u>1,387,283</u>	<u>1,050,097</u>	<u>14,593,027</u>
Depreciation				
At 1 April 2020	1,485,947	830,173	932,296	3,248,416
Charge for the year on owned assets	242,135	71,521	63,606	377,262
Disposals	-	-	-	-
	<u>1,728,082</u>	<u>901,694</u>	<u>995,902</u>	<u>3,625,678</u>
At 31 March 2021	<u>1,728,082</u>	<u>901,694</u>	<u>995,902</u>	<u>3,625,678</u>
Net book value				
At 31 March 2021	<u>10,427,565</u>	<u>485,589</u>	<u>54,195</u>	<u>10,967,349</u>
At 31 March 2020	<u>9,791,051</u>	<u>557,110</u>	<u>127,579</u>	<u>10,475,740</u>

Included within long-term leasehold property is £Nil (2020 - Nil) of assets under construction.

Included within long-term leasehold property is £106,997 (2020 - £107,893) of land.

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Notes to the Financial Statements
For the Year Ended 31 March 2021

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 2020	1,580,966	1,287,096	134,736	3,002,798
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	<u>1,580,966</u>	<u>1,287,096</u>	<u>134,736</u>	<u>3,002,798</u>
Depreciation				
At 1 April 2020	316,191	806,343	127,035	1,249,569
Charge for the year on owned assets	31,619	51,484	4,084	87,187
Disposals	-	-	-	-
At 31 March 2021	<u>347,810</u>	<u>857,827</u>	<u>131,119</u>	<u>1,336,756</u>
Net book value				
At 31 March 2021	<u>1,233,156</u>	<u>429,269</u>	<u>3,617</u>	<u>1,666,042</u>
At 31 March 2020	<u>1,264,775</u>	<u>480,753</u>	<u>7,701</u>	<u>1,753,229</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2021

14 Intangible fixed assets

	Web Application Software Development	Total
	£	£
<i>Cost</i>		
At 1 April 2020	-	-
Additions	65,520	65,520
	<hr/>	<hr/>
At 31 March 2021	65,520	65,520
	<hr/>	<hr/>
<i>Amortisation</i>		
At 1 April 2020	-	-
Charge for the year	-	-
	<hr/>	<hr/>
At 31 March 2021	-	-
	<hr/>	<hr/>
Net book value		
At 31 March 2021	65,520	65,520
	<hr/>	<hr/>
At 31 March 2020	-	-
	<hr/>	<hr/>

Intangible Fixed Assets relates to the development of the web application Street News. The application was under development at the year end therefore no amortisation was charged during the year.

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
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 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.

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

Notes to the Financial Statements For the Year Ended 31 March 2021

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies
Cost or valuation	
At 1 April 2020	3
At 31 March 2021	3
Net book value	
At 31 March 2021	3
At 31 March 2020	3

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	782,347	1,876,749	264,750	1,128,570
Other debtors	9,264	1,058	1,568	1,058
Amounts due from group undertakings in relation to pension	-	-	122,000	82,000
VAT	57,851	-	-	-
Prepayments and accrued income	518,966	312,831	149,703	116,214
Deferred tax (note 20)	40,301	32,729	40,301	32,729
	<u>1,408,729</u>	<u>2,223,367</u>	<u>578,322</u>	<u>1,360,571</u>

The impairment loss recognised in the group Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £12,939 (2020 - £2,364). The impairment loss recognised in the company Statement of Comprehensive Income for the year in respect of bad and doubtful debtors was £13,353 (2020 - £2,021).

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

Notes to the Financial Statements For the Year Ended 31 March 2021

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>4,176,203</u>	<u>3,296,807</u>	<u>944,264</u>	<u>483,286</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	405,333	788,375	82,563	157,254
Amounts owed to group undertakings	-	-	2,006	555,837
Corporation tax	63,095	49,388	63,095	49,388
Other taxation and social security	312,428	286,859	312,427	254,883
Other creditors	647,184	661,321	579,287	575,684
Accruals and deferred income	1,552,732	1,329,402	177,600	98,122
VAT	-	-	25,333	-
Deferred grant	149,963	149,963	149,963	149,963
	<u>3,130,735</u>	<u>3,265,308</u>	<u>1,392,274</u>	<u>1,841,131</u>

Deferred grant represents capital grant 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.

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred grant	1,362,510	1,512,473	1,362,510	1,512,473
	<u>1,362,510</u>	<u>1,512,473</u>	<u>1,362,510</u>	<u>1,512,473</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2021

20. Deferred taxation

Group

	2021	2020
	£	£
At beginning of year	32,729	31,435
Charged to profit or loss	7,573	75
Adjustment in respect of prior periods	(1)	1,219
At end of year	40,301	32,729

Company

	2021	2020
	£	£
At beginning of year	32,729	31,435
Charged to profit or loss	7,573	75
Adjustment in respect of prior periods	(1)	1,219
At end of year	40,301	32,729

	2021	2020
	£	£
Accelerated capital allowances	5,110	5,607
Short term timing differences	35,191	27,122
	40,301	32,729

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Notes to the Financial Statements

For the Year Ended 31 March 2021

21. Members' funds

Profit and loss account

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

22. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the company's members, who were subscribers on incorporation, are liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

23. 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 for Health and Social Care 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 2021**

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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 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 report of the scheme actuary, 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

The purpose of this valuation is to assess the level of 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 2020 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

(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 and have been accounted for in accordance with FRS 102 as noted 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 2021 was £80,000 (2020: £86,000), of which employer's contributions was £60,000 (2020: £64,000) and employees' contributions was £20,000 (2020: £22,000). The agreed contribution rates for future years are 17.2 and 20.5 per cent for employers and between 5.5 to 12.5 per cent for employees.

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

Notes to the Financial Statements For the Year Ended 31 March 2021

Principal actuarial assumptions

Group and Company	2021	2020
Pension increase rate (CPI)	2.5%	1.8%
Salary increase rate	3.3%	2.6%
Discount rate	2.2%	2.3%

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

	2021	2020
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.1	23.1
<i>Retiring in 20 years</i>		
Males	22.0	22.0
Females	25.0	25.0

Analysis of amounts charged to the Statement of Comprehensive Income

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Current service cost	109,000	134,000	11,000	19,000
Past service cost	-	7,000	-	4,000
Net interest cost	6,000	6,000	2,000	2,000
	<u>115,000</u>	<u>147,000</u>	<u>13,000</u>	<u>25,000</u>

Amounts recognised in Other Comprehensive Income

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Actuarial loss	(95,000)	(61,000)	(33,000)	(17,000)
	<u>(95,000)</u>	<u>(61,000)</u>	<u>(33,000)</u>	<u>(17,000)</u>

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

Notes to the Financial Statements For the Year Ended 31 March 2021

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 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Present value of defined benefit obligations	(927,000)	(616,000)	(411,000)	(308,000)
Fair value of plan assets	550,000	389,000	289,000	226,000
Total obligations recognised	<u>(377,000)</u>	<u>(227,000)</u>	<u>(122,000)</u>	<u>(82,000)</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Opening defined benefit obligation	616,000	414,000	308,000	288,000
Current service cost	109,000	134,000	11,000	19,000
Past service cost	-	7,000	-	4,000
Interest cost on defined benefit obligation	16,000	21,000	7,000	12,000
Plan participants' contributions	20,000	22,000	2,000	3,000
Changes in demographic assumptions	-	(39,000)	-	(22,000)
Changes in financial assumptions	166,000	(20,000)	83,000	7,000
Other experience	-	77,000	-	(3,000)
Closing defined benefit obligation	<u>927,000</u>	<u>616,000</u>	<u>411,000</u>	<u>308,000</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Opening fair value of plan assets	389,000	331,000	226,000	239,000
Interest income on plan assets	10,000	15,000	5,000	10,000
Plan participants' contributions	20,000	22,000	2,000	3,000
Employer contributions	60,000	64,000	6,000	9,000
Return on assets excluding amounts included in net interest	71,000	(43,000)	50,000	(35,000)
Closing fair value of plan assets	<u>550,000</u>	<u>389,000</u>	<u>289,000</u>	<u>226,000</u>

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Notes to the Financial Statements **For the Year Ended 31 March 2021**

(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

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

A copy of the latest valuation report is on the Teachers' Pensions website. The latest valuation of the

Scheme Changes

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, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

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

Notes to the Financial Statements For the Year Ended 31 March 2021

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

The employer's pension costs paid to TPS in the period amounted to £182,198 (2020: £182,198).

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.

24. Commitments under operating leases

At 31 March 2021 the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Restated Group 2020 £	Company 2021 £	Restated Company 2020 £
Land and buildings				
Not later than 1 year	188,015	166,348	81,950	81,950
Later than 1 year and not later than 5 years	167,564	257,284	68,632	150,582
Later than 5 years	25,048	36,547	-	-
	<u>380,627</u>	<u>460,179</u>	<u>150,582</u>	<u>232,532</u>
 Office equipment and motor vehicles				
Not later than 1 year	26,256	17,415	14,435	14,223
Later than 1 year and not later than 5 years	38,107	28,169	17,430	20,987
	<u>64,343</u>	<u>45,584</u>	<u>31,865</u>	<u>35,210</u>

The prior year operating lease commitments have been restated to include additional leases identified during the year.

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Notes to the Financial Statements
For the Year Ended 31 March 2021

25. 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.

26. Controlling party

In the view of the directors the groups controlling party is Fay Selvan the sole member of Big Life Company Ltd.