



**The**  
**Active Wellbeing**  
**Society**

**Annual Report and Audited Accounts**  
**2022/23**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>MEMBERS</b>	<b>143 members including:</b> <i>111 community members</i> <i>17 staff members</i> <i>15 organisations</i>
<b>NON-EXECUTIVE DIRECTORS</b>	L Trickett (resigned 31/12/22) J Cornett (resigned 31/12/22) S Porter K Ford D Farnworth
<b>INDEPENDENT DIRECTORS</b>	J Warmington
<b>CO-OPTED DIRECTORS</b>	None
<b>COMPANY SECRETARY</b>	R Barrow
<b>CHIEF EXECUTIVE</b>	K Creavin
<b>CBS REGISTERED NUMBER</b>	RS00 7595
<b>TRADING SUBSIDIARY</b>	Active Wellbeing Works Ltd
<b>COMPANY NUMBER</b>	12618903
<b>REGISTERED OFFICE</b>	The Active Wellbeing Society Hay Hall Manor House Redfern Road B11 2BE
<b>AUDITORS</b>	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
<b>BANKERS</b>	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB

## CHAIR'S STATEMENT

Change is a constant – organisations never reach a state of permanent stability. TAWS has grown and developed through a particularly volatile period of history, and it is to the great credit of its staff, volunteers, Board members and supporters that over the last year it has continued to grow both the range and the scale of its work.

On the Board we said farewell to two of the organisation's founding members – Lisa Trickett (Chair) and John Cornett. I would like to record our thanks to both for the huge amount of work they did to enable TAWS to grow from an idea into the flourishing organisation it is now.

The Board agreed in the last year to invest some of our reserves into a process of planning for the next stage of TAWS' life. This work is continuing and will provide us with the clarity of purpose and improvements in our structures, systems and processes to be confident of our future.

We faced a very difficult financial environment over the year, with the cost-of-living crisis following hard on the heels of necessary adaptations in response to the pandemic. We have weathered these challenges with a planned deficit on our 2022/2023 financial year's activities, which is covered by our reserves. The Board took this decision in order to respond to the pressing needs of the people and communities we work with - prioritising delivering our services and continuing to innovate.

Towards the end of the financial year, we revised and restructured our financial management systems to reflect the size and complexity of our work. We are projecting a small surplus on our activities over the year ahead 2023/24. Our revised approach to financial management and business development will allow us steadily to continue on our journey towards the long-term financial health we need so that we can provide the vital support described in this report for communities in the most need.

We were pleased that Birmingham City Council recognised the value of our work in the city by renewing our core grant for a further 5 years, although like many others in the city of Birmingham right now, we hold our breath as we wait to see what the implications of the section 114 notice might mean in terms of cuts and changes. Our partnership with Birmingham is important and the work we do in the city with those in the most deprived communities is impactful and critical for us, and more importantly for them. That said, for a third year running we have demonstrated a reach and presence in communities beyond the Midlands, and we are increasingly focused on a wider national audience.

As we move into our sixth year as an independent charitable social enterprise, we can reflect on the impact our work has made to some of the most disadvantaged people and communities in Birmingham and beyond who have been able to change their lives for the better as a result of our various programmes and activities. This annual report gives a rich picture of some of what we do, where we do it, how we do it and the difference it makes.

I would like to extend a huge thanks to all who are or have been involved with TAWS over the past year whether paid or unpaid. Your energy, enthusiasm and resilience make TAWS the unique organisation that it is.

**Kevin Ford, Chair of Trustees**



## DIRECTORS REPORT

2022/23 has seen another turbulent year for our sector and those communities that we serve. There has been much happening that has continued the uncertainty of that immediate post-covid era. We are seeing some return to a more recognisable norm, and we have enjoyed seeing our communities back out and connecting with each other, but we know that this is patchy and inconsistent, and still very difficult for many. We are beginning to be clearer about where the ongoing challenges are in a post-covid recovery world, as well as understanding on the ground the impact of the cost-of-living crisis.

We have continued to stay with our communities and work closely with our funders in innovative ways and with a clear sense of urgency around the importance of getting this work as right as possible for those in the most need. We have been excited to work in new areas of country, building on our early work in Jaywick and Clacton. We have secured further work supporting the Essex Pedal Power project, and we have truly now landed in Essex and the South East. Our work now also spans Colchester, Basildon, and Harwich. We are delighted at the reception with have had from Essex residents and organisations and partners. We are welcomed by a willing flock in Essex, all committed as we are to working with those in need of support and connection to build more resilient, connected and happier communities.

We have been building on the scalability of the Big Birmingham Bikes project, which underpins the EPP work in Essex and also being tested in Southall in London. Partners like Sport England and Active Travel England have agreed to invest in helping us to scale the work to make a case for a National Free Bike scheme. Work is underway to provide gold standard evaluation of the benefits of the scheme and we are hopeful that together with our partners we will be able to take this opportunity to the next level.

We continue to provide innovation and learning through our support of the Birmingham and Solihull Local Delivery Pilot 'Active Communities' - which we host and provide much momentum for. We have woven the learning into the work we are collaborating on in the city around the Commonwealth Games, and we play an important role supporting the strategic evolution of thinking around getting people more active in Birmingham and increasingly nationally.



## DIRECTORS REPORT (cont'd)

We were involved in the early thinking for the legacy of the Games, and while the actual legacy from the Games won't achieve everything that had originally been hoped for, we have been proud to stand shoulder to shoulder with communities in Birmingham in the run up to and during the Games. Birmingham showed itself and its communities well. Our work with the Games legacy was also integral in the shutdown phase of the Games, and we were central in the distribution of unused kit and equipment from the Games to community groups and out through our share sheds. This is stock that would have usually ended up in landfill, so we were proud to have played a key role in helping the Games to be as useful and as sustainable possible. We know the benefit that was felt by the community and other organisations that received useful free items.

We also took the opportunity this year to develop work with partners, around the clean air agenda. The work on a Just Transition around climate actions is key to ensuring that deprived communities do not get left behind as we make the necessary adjustments that we will need to make in order to preserve the future of the planet.

Moving from our original base as a West Midlands based organisation, we are continuing to develop a more nationally facing offer, and we know that we need to continue to diversify our funding base in order to be able to continue to offer citizens the best services we can. We are excited to be working closely with new partners and new communities in new places to remove cost as a barrier and support people to live their most active and best lives.

As an organisation, our proudest achievements were those of our citizens and those in communities we are now working with. The people who stepped out and leant in; those that went litter picking; those that worked with neighbours and closed the road to traffic to let the humans on the street be more active for the day; those that welcomed the world into their city for the Games; the times when people put on their coat, or their trainers, picked up their handbag or their racket, and went out, or stayed in, but were active. Active in their community, their park, their street, their roads, their living rooms. All the times when they didn't have to, but they did. For all the connections that were created, all the bellies that got fed, voices that got heard; we are proud of them all.

Many of the people we work with have little by way of income and means, but have lots in terms of determination and courage, empathy and kindness. We work with amazing people - our staff, our board, our general volunteers, and our participants. We are grateful to all of them, for all their hard work, courage and tenacity.

Our staff have worked with over 60,337 people in the financial year 2022/2023 and our volunteers have contributed over 6,326 hours which is the equivalent of £93,435.

We will continue to be led by our values, seize opportunities to add value and support where we find them, and show up with courage and vulnerability to play our part. Thank you for coming on the journey with us and doing your bit.

**Karen Creavin, Chief Executive**

## STRATEGIC REPORT

### OUR VISION

THE ACTIVE WELLBEING SOCIETY (TAWS) WANTS TO SEE A WORLD WHERE EVERYONE HAS AUTONOMY, CAPACITY, RESOURCES AND SKILLS, AND WHERE THEY CAN BE ARCHITECTS OF THEIR COLLECTIVE DESTINY

We want a kind, inclusive society that removes barriers to participation; where inequalities and injustice are tackled so that people can live their best lives; where resources are shared according to need and where people can play a part in ensuring collective wellbeing needs are met. This includes the need for food, physical activity, social connections, and mental health support. We will work collectively with citizens to help them to meet their own wellbeing needs and those of the others they live with and around.

### OUR MISSION

OUR MISSION IS TO IMPROVE WIDER WELLBEING FOR ALL, ESPECIALLY THOSE THAT ARE THE MOST VULNERABLE OR MOST DISADVANTAGED.

We support people to have the best health and wellbeing that they can and to live happy and healthy lives. We are innovators and positive disruptors, grounded in communities, and playing a part in creating a sustainable world that benefits all. We empower communities by working collaboratively with them to harness their potential and co-produce improvements in their resilience and wellbeing. We promote community development and maximise opportunities to remove barriers and support communities to live active and connected lives.





## STRATEGIC REPORT (cont'd)

### OUR MISSION (cont'd)




We recognise that inequalities are highest where the need is the greatest, and that is often the result of systemic inequalities. We work to influence the system itself, through system leadership, to provide a deeper understanding of the issues and needs in communities, encourage change and provide more appropriate responses to those needs. We work in Birmingham, the West Midlands and across the UK. Our work is informed by data, evidence, and best practice. This includes the Five Ways to Wellbeing, which is widely understood and accepted as the five key steps to improving mental health and wellbeing.

### OUR VALUES



Our values are drawn from our direct practical experience of work to improve wellbeing, supported by a range of theories and perspectives focused on community and system level change. We are a cooperative organisation, and the values of cooperation are embodied in all that we do. We have a Professional Development Review process based on the three values below, and all our staff receive regular supervision and reflection sessions to further reinforce a values-based working approach.

Our values fall under three headings:

- Open Mind.**  Innovative, Influential, Entrepreneurial/Opportunity Aware, Grounded, Networked, Thought Leaders.
- Open Heart.**  Collaborative, Demonstrating Integrity, Inclusive, Honest, Passionate About Making a Difference.
- Open Will.**  Activist/Curious/Courageous, Empathic, Sustainable, Evidenced, Solution-Oriented, Co-Creation and Production.

These values form the core of our annual appraisal for staff and are embedded in our planning processes, our performance framework, and the way we work throughout our delivery.

## STRATEGIC REPORT (cont'd)

### OUR WORK

In 2022/23, we worked with over 60,000 participants to promote community development and wellbeing, tackle inequality and bring about sustainable change. In response to the ongoing challenges in a post-Covid era and the impact of the cost-of-living crisis, we continue to collaborate with communities, working in innovative ways to deliver a range of virtual and in-person activities. As our work continues to expand across the country and into new areas of work, we also continue to invest in our workforce and volunteers to support our communities in the ways that they need.

#### *Active Travel*

With our long-standing expertise of designing and delivering cycling initiatives, we continue to support communities to access free bike, upskill them in cycling and bike maintenance, and take part in active travel activities, such as led rides, across Birmingham. This year, we also took part in the region-wide Cycling 4 Everyone programme, led by Transport for West Midlands, delivering active travel events, bike maintenance sessions and bike giveaways, including adapted bike loans.

We have had nearly 10,000 participants in our Bikeability scheme this year, and a further 2,800 participants in our Learn to Ride sessions, supporting children and adults to cycle and travel in more physically active ways. We distributed over 2,000 bikes through our pioneering bike giveaway scheme and short-term bike loans, as well as repaired approximately 580 bikes through our Dr Bike and Cycle Fix-It bike maintenance sessions.

We have also provided 540 one-on-one and group walking sessions, supporting nearly 2,000 participants to get more active and explore their local area.



#### *Essex Pedal Power*



It has been a year since the first roll-out of Essex Pedal Power (EPP) in Jaywick and Clacton, in partnership with Active Essex and Essex County Council, and we have now expanded the reach of EPP, with bike giveaways schemes in Colchester, Basildon, and Harwich and Dovercourt.

To support this, we have directly employed 17 staff locally from within Essex to work on EPP, as well as managed and trained seven local volunteers to provide bike building capacity in the team, one of whom has now gained employment as a Bikeability instructor.

So far, approximately 700 citizens have been able to benefit from receiving a free bike, out of the 3,700 bikes available across the four areas, and they have also been able to access a range of wraparound support, such as cycle training and led ride activities, and volunteering and upskilling opportunities.

## STRATEGIC REPORT (cont'd)

### ***Commonwealth Games 2023 Legacy***

As part of the Commonwealth Games Legacy Community Fund, led by Birmingham City Council, we co-created and delivered 70 Active Street Festivals across the city over the summer, supporting communities to reimagine the use of their local streets and spaces and host street closures and festival events.

Over 10,000 participants were able to enjoy a variety of physical, civic and creative activities for families, including two outdoor Flatpack cinema experiences.

As part of our work on the festivals, we specifically employed 37 young people age 16-21 as part of our Project Brum employment scheme to work on this, providing them with training, development and skills, as well as regular mentoring.



We also worked with the Circular Economy Action Group, part of the overarching Sustainability Working Group for the Commonwealth Games, identifying tangible legacy opportunities for communities post-Games. With the support of Sport England, we successfully negotiated for unused equipment and items from the Games to be donated to us, to then share with communities.

From this, we redistributed over 1,000 items of sports kit and equipment and other practical items to community groups and individuals through our Share Shacks. We have also been donated two vans used by the CWG teams, which we are currently converting into mobile Share Shacks, as part of our Sharing project.



The Commonwealth Active Communities (CAC) programme focuses on supporting people to more active and to help to tackle inequalities in the most deprived wards, contributing to the ambition of the Games to improve health and wellbeing. We are part of a consortium of local partners that successfully bought in £1million of funding from this into Birmingham, and we are now co-creating with communities to deliver a programme of support and interventions including walking, health engagement and green social prescribing, and cycling and bike maintenance activities over the next year.



## STRATEGIC REPORT (cont'd)

### **Community Food**

Our community food work continues to play an important role in bringing people together and providing a hot nutritious meal, often for many who might not otherwise eat.

We have expanded our offer, with four community cafes established across the city, as well as a mobile food van that is taking food to where people are at, working alongside our activity delivery teams to provide a holistic offer to communities.

This year, we cooked and provided 16,700 hot meals using surplus ingredients, saving over 19 tonnes from going to landfill.

We have also been able to utilise the amazing cooking skills of our community cooks to provide batch cooking and slow cooker demonstrations to 300 citizens and provide them with the know-how to take home.



Furthermore, this year as part of the national Holiday Activity Fund, which provides support to children in receipt of free school meals through holiday periods, we ran three cooking sessions for families in the week before Christmas, in partnership with FareShare. Families were able to learn to cook a meal together, sit down and eat together once, and then take an extra portion each home. As part of this project, we also cooked and provided meals for other community provisions to support their service users.

### **Sharing**

Through our Sharing work, we actively promote and facilitate a sharing economy, where a system is built on the sharing of resources and celebrates what is already in communities, with communities. We bring people together, to build skills, reduce waste, and protect the environment, supporting a more sustainable way of living.

We have continued to develop and grow our Sharing work, operating a dedicated share shack within a community space in Ladywood, five pop-up share shacks in existing community hubs run by local partners, and a further pop-up at our head office in Tyseley.

This year, 4,500 participants visited our share shacks to borrow, learn new skills and connect with others, with 1,760 items lent out, including gardening and DIY tools, games, sports equipment, books, toys, slow cookers and other household items, and more.

We will be expanding our work further, using the two vans donated from the Commonwealth Games as mobile share shacks to take our offer further and wider into communities. These are currently being refitted to go out early next year.



We also partnered with BCC to provide a Warm Welcome space from our Ladywood share shack over the winter period and beyond, supporting 1,100 participants with shelter, warmth, a hot meal and drink, as well as guidance, information and a friendly, safe space to talk.

## STRATEGIC REPORT (cont'd)

### **Active Communities Local Delivery Pilot**

We continue to provide innovation and learning through our support of the Birmingham and Solihull Local Delivery Pilot 'Active Communities' which we host and provide delivery for.

Funded by Sport England since 2018, the Active Communities programme has worked across six of the most deprived areas in Birmingham and Solihull to tackle the barriers to getting active.

The aim of the programme is to pilot interventions that tested an approach to increasing physical activity in those communities, as these are statistically communities most likely to be least active, and determine if there is a link between being more civically active and more physically active.



As the programme moves into its final year, there will be a focus on disseminating the learning through a series of learning events. It is expected that this will extend beyond the immediate learning about the programme outcomes, and create wider system shift by informing policies, practices, and collaborations that address health inequalities, increase physical activity and promote community wellbeing at a larger scale.

### **Research and insight**

This year, we expanded our team as our work across community research and insight has grown. From generating insights and learning to inform decisions and delivery, to designing and facilitating a range of research activities, including surveys and focus groups to understand participant's experiences, and programme evaluations to understand impact and change.

We continue to lead the evaluation for the Birmingham and Solihull Active Communities Local Delivery Pilot. We have also been commissioned externally to carry out a range of projects including a baseline evaluation of the Essex Pedal Power cycling programme, focus groups to inform the Birmingham Director of Public Health's Annual Report on digital technology and health, and a co-production project within which we trained and worked with local Community Researchers to facilitate focus groups on digital health services for Birmingham and Solihull Integrated Care System (Bsol ICS).

Across all of these projects, we have worked with communities facing the highest levels of inequalities, to ensure that the voices of those who are least heard are amplified and included in decisions about their lives.





## STRATEGIC REPORT (cont'd)

### FINANCE REVIEW

#### OVERVIEW

In a year where our communities have continued to experience the many challenges of living in the aftermath of the pandemic and into a cost-of-living crisis, we have continued to be guided by our principles of staying with and connected to communities and responding to need. By listening to and collaborating with partners and communities to tackle barriers to activity and wellbeing, we have continued to develop and deliver meaningfully ways to engage citizens in a range of activities and interventions.

Our work across Birmingham continues to reach the most vulnerable communities who experience the highest inequalities, supporting people to build more resilient, connected and happier communities through our social and physical activity offers and community development work. Our delivery teams continue to work with communities to activate their local spaces, whilst also providing a virtual offer to those who still need this form of engagement. The need for our community food and sharing work has grown, as communities continue to feel the impact of inequalities exacerbated by the worsening cost-of-living expenses.

As we grow into new areas of work and expand across the country, we have also invested in our workforce and volunteers, to provide the right foundations and resources to support our work in communities and take us forward. The growth in our workforce, including three new roles created as part of our apprenticeship scheme and our EPP team in Essex, is supported by our volunteering network, who have provided 6,326 hours of their time to us this year.

We continue to work hard with our communities and partners to disrupt the system and shift the balance of power so that communities have more of a say in their lives. We have played a role in system change in local, regional and national systems, and we continue to be perceived as thought leaders and strategic influencers in the way that we work.

We have seen an increase in our consultancy work resultingly, and we will continue to grow this work as it is an important contribution to our overall reserves position.

#### FINANCIAL POSITION

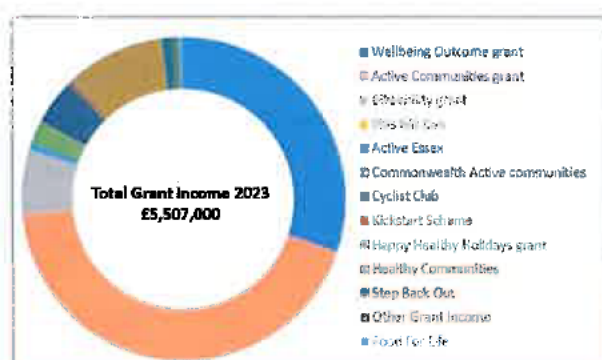
Our income is based predominantly on grant funding, though also includes a mix of contracted services and commissioned work. We are pleased to report that our income levels have remained in line with the business plan. We will continue to review the business plan annually, in line with our delivery and the funding landscape.

For the year to 31<sup>st</sup> March 2023, we received £5,507,000 (2022 - £5,203,000) in grant funding, and generated £455,000 (£259,000) in income, in support of our charitable objectives.

## STRATEGIC REPORT (cont'd)

The net asset value of the Society at 31<sup>st</sup> March 2023 was £376,000 (2022 - £722,000) of which £352,000 (2022 – £401,000) related to restricted funds and £24,000 (2022 - £321,000) unrestricted funds, excluding the deficit on the pension reserve of £0 (2022 – £982,000).

	Unrestricted Funds	Restricted General Funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
<b>Total Income</b>	455	5,566	6,021	5,462
<b>Total Expenditure</b>	679	5,955	6,634	5,463
<b>Net Income/(expenditure)</b>	(224)	(389)	(613)	(1)
<b>Actuarial gain/(loss) on defined benefit pension schemes</b>		1,249	1,249	388
<b>Net movement in funds</b>	(224)	860	636	387
<b>Reconciliation of funds</b>				
<b>Total fund brought forward</b>	321	(581)	(260)	(647)
<b>Total funds carried forward</b>	97	279	376	(260)



## RESERVES POLICY

Our trustees review the reserve levels of the Society annually and have agreed an approach of retaining up to 3 months running costs in reserves in the event of any requirement to suddenly close the business. The board takes a regular review of the levels of reserves, through the work of the Budget, Audit and Governance committee. The review encompasses the nature of the income and expenditure schemes, the need to match income and commitments and the levels of actual reserves. Any surplus built up by the Society is earmarked for future financial years to support the advancement of our charitable objectives over the medium term.

## STRATEGIC REPORT (cont'd)

### STRUCTURE, GOVERNANCE, MANAGEMENT

#### OVERVIEW

The Active Wellbeing Society (TAWS) is a community benefit society and cooperative established under the Cooperatives & Community Benefit Societies Act 2014 and is recognised by HMRC as an exempt charity. We were registered on 10<sup>th</sup> July 2017, and you can find us on the Companies House website under RS007595. We are registered with and regulated by the Mutuels Team at the Financial Conduct Authority. You can find our entry on the Mutuels Public Register at <https://mutuals.fca.org.uk/>.

Our primary governing documents are our Rules, which set out our purpose and how the Society works. The Rules, originally written in May 2017, when the Society was first established, were amended, and agreed by TAWS members in October 2019. You can access a copy of our rules here: <https://theaws.co.uk/about-us/governance-financial-statement/>

#### MEMBERS

We are a membership organisation seeking to develop a more participative governance structure. Our Membership model has started to offer citizens who support our purpose and values the opportunity to be part of a democratic organisation with a say in how the Society is run. This model puts members at the heart of our organisation and enables us to work in a way which is collaborative with our communities providing a one member one vote model to make decisions democratically and ensure that what we offer is always of the time, inclusive and relevant. Members have access to information, a voice in the Society and the opportunity to play a representative role in its governance.

#### DIRECTORATES

As we continue to grow and evolve our work, it is important to ensure that we have a structure that supports our current and future priorities. This year, we made some changes to our directorate structure to reflect our key areas of work, these are: Community Sport and Physical Activity, Healthy Communities, Food and Sharing, Knowledge and Insight, and Funding and Resources. Each directorate is led by a director who is responsible for developing and implementing an annual plan and budget, in line with our business plan. These plans are reviewed regularly and inform the management and planning cycles of the Society, as part of our organisational operational framework.

#### OUR BOARD

Our trustees have overall responsibility for the management of the organisation and take decisions, authorise purchases, delegate functions and enter into contracts on its behalf in line with our Rules, as a community benefit society, and the general law.

The Board is comprised of up to 12, though not less than 4, members and they have determined that the Chief Executive should also be a member of the Board *ex officio*. Board members (excepting the CEO) are elected for an initial 3-year term in accordance with the procedure laid out in our Rules. They can then serve a further 3-year term, within the confines of the rules of the organisation.

## **STRATEGIC REPORT (cont'd)**

The board has two standing sub-committees with approved terms of reference. These are the Staff and Delivery subcommittee (SAD), and the Budgets, Audit and Governance subcommittee (BAG). The terms of reference have within them the delegated authority for actions as agreed by the full board.

TAWS' day-to-day management is entrusted to the Chief Executive and the executive directors to deliver in accordance with the strategy, policies and budget approved by the Board. An appropriate system for urgent action exists where, if in the best interests of the Society, a decision can be taken outside the delegation framework.

### ***PUBLIC BENEFIT STATEMENT***

As a community benefit society with charitable objects, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit, and the supplementary public benefit guidance on advancing health and saving lives in setting the aims and objectives of the Society and in planning our activities.

Trustees review the pay of staff annually by benchmarking against pay levels in peer organisations of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles. The organisation is striving to pay at the median point of the sector and has made a commitment to pay the Real Living Wage. We regularly undertake analysis of gender and ethnicity pay levels and are committed to eradicating structural inequalities in pay and grading within the organisation.

### ***PRINCIPAL RISKS AND UNCERTAINTIES***

Trustees regularly review a register of the major risks to which the Society is exposed, as part of our Budget, Audit and Governance subcommittee (BAG). Systems and financial insurances are in place to mitigate against any risks as far as possible within the practice and financial constraints of the Society. The BAG sub-committee monitors and reviews these arrangements and reports to the Board on their effectiveness. At the time of the report, the Society's key risks that are being closely managed include:

- The risk of achievement in core activities being below expectations
- Loss of personal or sensitive information
- Changes to rules and regulations
- The risk of national and local funding reductions, and
- The future financial position of the Local Government Pension Scheme

Mitigating actions, both current and planned, have been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower impact and/or likelihood. We have a range of mechanisms in place for managing risk, and these are regularly reviewed by the senior management team and overseen with regular reporting to the board.

The Society's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk management policy

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

## **STRATEGIC REPORT (cont'd)**

### **STATEMENT OF BOARD'S RESPONSIBILITIES**

The Board are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and regulations. The Cooperative and Community Benefit societies Act 2014, and the law applicable to societies in England and Wales, requires Trustees to prepare financial statements for each financial year. Under that law, Trustees have elected to prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2015). Under the Cooperative and Community Benefit Societies Act 2014, the Trustees 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 Society, the incoming resources and application of resources, including the income and expenditure for the period.

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

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities Statements of Recommended Practice (SORP 2019)
- Make judgements and estimates which are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable community benefit society will not continue in basis.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable community benefit society's transactions and disclose with reasonable accuracy at any time the financial statements comply with the Cooperative and Community Benefit Societies Act 2014 and the Charities Act 2011. They are also responsible for safeguarding the assets of the community benefit society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **GOING CONCERN**

After making appropriate enquiries, the Board have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting policies.

**STRATEGIC REPORT (cont'd)****STATEMENT OF BOARD'S RESPONSIBILITIES (cont'd)****AUDITORS**

In so far as the Trustees are aware:

- There is no relevant audit information of which the community benefit society's auditors are unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, UHY Hacker Younger (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting. The Trustees' Report, incorporating a strategic report, was approved by the Board, as the trustees on 17 October 2023 and signed off on their behalf by:



**K Ford**

**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACTIVE WELLBEING SOCIETY LIMITED FOR THE YEAR ENDED 31 MARCH 2023****Opinion**

We have audited the financial statements of The Active Wellbeing Society Limited (the parent 'society') and its subsidiaries the 'group' for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Section 87 of the Co-operative and Community Benefit Societies Act 2014.

This report is made solely to the society's members, as a body, in accordance with the Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent society's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Section 87 of the Co-operative and Community Benefit Societies Act 2014 .

**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 society 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 trustees' use of the going concern basis of accounting in the preparation of the financial statement 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 or parent charitable 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 trustees with respect to going concern are described in the relevant sections of this report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACTIVE WELLBEING SOCIETY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)****Other information**

The board are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; 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 report of the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable society'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 trustees either intend to liquidate the group or the parent charitable society or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACTIVE WELLBEING SOCIETY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)****Auditor's responsibilities for the audit of the financial statements (cont'd)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the group, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Co-operative and Community Benefit Societies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the group's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Financial Conduct Authority review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACTIVE WELLBEING SOCIETY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable group and society's members, as a body, in accordance with Section 87 or the Co-Operative and Communities Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the charitable society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable group and the charitable group's members as a body for our audit work, for this report, or for the opinions we have formed.



**UHY Hacker Young (Birmingham) LLP, Statutory Auditor**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**  
**17 October 2023**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023**
**(Including Income and Expenditure Account)**

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Total 2023 £'000	Total 2022 £'000
<b>Income from:</b>					
Donations and capital grants	2	15	-	15	1
Charitable activities:					
- Funding for advancing health and community development	3	-	5,566	5,566	5,212
Other trading activities	4	425	-	425	248
Investment income	5	15	-	15	1
<b>Total</b>		<b>455</b>	<b>5,566</b>	<b>6,021</b>	<b>5,462</b>
<b>Expenditure on:</b>					
Raising funds	6	679	-	679	115
Charitable activities:					
- Advancing health and community development	6 & 7	-	5,955	5,955	5,348
<b>Total</b>	7	<b>679</b>	<b>5,955</b>	<b>6,634</b>	<b>5,463</b>
<b>Net income/(expenditure)</b>		<b>(224)</b>	<b>(389)</b>	<b>(613)</b>	<b>(1)</b>
Transfers between funds	15	-	-	-	-
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension schemes	26 & 27	-	1,249	1,249	388
<b>Net movement in funds</b>		<b>(224)</b>	<b>860</b>	<b>636</b>	<b>387</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>	16	<b>321</b>	<b>(581)</b>	<b>(260)</b>	<b>(647)</b>
<b>Total funds carried forward</b>	16	<b>97</b>	<b>279</b>	<b>376</b>	<b>(260)</b>

All of the Society's activities derive from incoming resources, resources expended and net movements in funds arising from continuing operations during the above two financial periods.

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Note	Group 2023 £'000	Society 2023 £'000	Group 2022 £'000	Society 2022 £'000
<b>Fixed assets</b>					
Tangible assets	11	67	56	42	28
Investment assets	12	-	-	-	-
		<u>67</u>	<u>56</u>	<u>42</u>	<u>28</u>
<b>Current assets</b>					
Debtors	13	781	777	583	538
Cash at bank and in hand		2,415	2,384	2,099	2,032
		<u>3,196</u>	<u>3,161</u>	<u>2,682</u>	<u>2,570</u>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	14	(2,387)	(2,359)	(1,502)	(1,468)
<b>Net current assets</b>		<b>809</b>	<b>802</b>	<b>1,180</b>	<b>1,102</b>
<b>Total assets less current liabilities</b>		<b>876</b>	<b>858</b>	<b>1,222</b>	<b>1,130</b>
Creditors: Amounts falling due after more than one year	15	(500)	(500)	(500)	(500)
<b>Net assets excluding pension liability</b>		<b>376</b>	<b>358</b>	<b>722</b>	<b>630</b>
Defined benefit pension scheme liability	26 & 27	-	-	(982)	(982)
<b>Total net assets/(liabilities)</b>		<b><u>376</u></b>	<b><u>358</u></b>	<b><u>(260)</u></b>	<b><u>(352)</u></b>
<b>Capital and reserves</b>					
Share capital	25	-	-	-	-
<b>Restricted funds</b>					
- Restricted income fund	16	352	354	401	401
- Pension reserve	16	-	-	(982)	(982)
<b>Total restricted funds</b>		<b><u>352</u></b>	<b><u>354</u></b>	<b><u>(581)</u></b>	<b><u>(581)</u></b>
<b>Unrestricted income fund</b>	16	<b>24</b>	<b>6</b>	<b>321</b>	<b>229</b>
<b>Total unrestricted funds</b>		<b><u>24</u></b>	<b><u>6</u></b>	<b><u>321</u></b>	<b><u>229</u></b>
<b>Total funds surplus/(deficit)</b>		<b><u>376</u></b>	<b><u>360</u></b>	<b><u>(260)</u></b>	<b><u>(352)</u></b>

The financial statements on pages 23 to 44 were approved by the board and authorised for issue on 17 October 2023 and signed on their behalf by:

.....  
K Ford  
Chair of Trustees

.....  
R Barrow  
Secretary

.....  
K Creavin  
Chief Executive Officer

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Notes</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	355	76
Cash flows from investing activities	21	(39)	(14)
Cash flows from financing activities	22	-	-
Change in cash and cash equivalents in the reporting period		<u>316</u>	<u>62</u>
Cash and cash equivalents at 1 April	23	2,099	2,037
Cash and cash equivalents at 31 March	23	<u>2,415</u>	<u>2,099</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****1 Statement of Accounting Policies**

A summary of principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**Basis of Preparation**

The financial statements of the Society, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Co-operative and Community Benefit Societies Act 2014.

The Active Wellbeing Society meets the definition of a public benefit entity under FRS 102.

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Society has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Society's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

All incoming resources are recognised when the Society has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**• Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised when receivable 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 sheet in creditors; amounts falling due within one year in deferred income.

**• Sponsorship income**

Sponsorship income provided to the Society which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

**• Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

**• Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Society has provided the goods or services.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Cont'd)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Society's accounting policies.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Society to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Society's educational operations, including support costs and costs relating to the governance of the Society apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Vehicles	25% straight line
Furniture and Equipment	25% straight line
Mobile Equipment Computers & Software	33.33% straight line



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Cont'd)****Tangible Fixed Assets (continued)**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Financial Instruments**

The Society only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Society and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

*Cash at bank* - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised cost as detailed in note 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

The Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the Society are provided by the Local Government Pension Scheme ('LGPS') and by auto enrollment. The LGPS is a defined benefit scheme and auto enrollment is a defined contribution scheme.

The LGPS is a funded scheme and the assets are held separately from those of the Society in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the 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 Financial Activities 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 recognised gains and losses.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Cont'd)****Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Society at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from various Local Authorities, Government Bodies and Private sponsors including; Sport England.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in notes 26 and 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgement**

The critical judgements that the Trustees have made in the process of applying the Society's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 2 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Donations	15	-	15	1
	<u>15</u>	<u>-</u>	<u>15</u>	<u>1</u>

## 3 FUNDING FOR ADVANCING HEALTH AND COMMUNITY DEVELOPMENT

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
<b>Government grants</b>				
Wellbeing Outcome grant	-	1,669	1,669	1,759
Active Communities grant	-	2,373	2,373	2,213
Bikeability grant	-	359	359	341
This Girl Can	-	1	1	58
Active Essex	-	40	40	-
Commonwealth Active communities	-	130	130	-
Cyclist Club	-	256	256	-
	<u>-</u>	<u>4,828</u>	<u>4,828</u>	<u>4,371</u>
<b>Private sponsorship grants</b>				
Active Park Delivery grant	-	59	59	17
Kickstart Scheme	-	23	23	100
Happy Healthy Holidays grant	-	12	12	155
	<u>-</u>	<u>94</u>	<u>94</u>	<u>272</u>
<b>Other income from the Society's health and community operations</b>				
Healthy Communities	-	531	531	423
Step Back Out	-	52	52	89
Other Grant Income	-	37	37	5
Food For Life	-	24	24	42
	<u>-</u>	<u>644</u>	<u>644</u>	<u>559</u>
<b>Exceptional Government Grants</b>				
Coronavirus Job Retention Scheme	-	-	-	10
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
	<u>-</u>	<u>5,566</u>	<u>5,566</u>	<u>5,212</u>

The income from the Society's health and community operations was £5,566,000 (2022: £5,212,000) of which £Nil (2022: £10,000) was unrestricted and £5,566,000 (2022: £5,202,000) restricted.

## 4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Sales	425	-	425	248
	<u>425</u>	<u>-</u>	<u>425</u>	<u>248</u>

The income from the Society's other trading activities was unrestricted for both 2023 and 2022.

## 5 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Bank interest received	15	-	15	1
	<u>15</u>	<u>-</u>	<u>15</u>	<u>1</u>

The income from the Society's investment income was unrestricted for both 2023 and 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 6 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2023 £'000	Total 2022 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	275	-	194	469	31
- Allocated support costs	162	3	45	210	84
Society's operations					
- Direct costs	1,619	-	1,105	2,724	2,703
- Allocated support costs	2,540	148	543	3,231	2,645
	<u>4,159</u>	<u>148</u>	<u>1,648</u>	<u>5,955</u>	<u>5,348</u>
	<u>4,596</u>	<u>151</u>	<u>1,887</u>	<u>6,634</u>	<u>5,463</u>

The expenditure was £6,634,000 (2022 : £5,463,000) of which £679,000 (2022 : £115,000) was unrestricted and £5,955,000 (2022 : £5,348,000) restricted.

	Total 2023 £'000	Total 2022 £'000
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	53	47
Depreciation	31	41
Fees payable to auditor for audit of the charitable group's financial statements	14	12

## 7 CHARITABLE ACTIVITIES

	Total 2023 £'000	Total 2022 £'000
<b>Analysis of Direct Costs</b>		
Direct staff costs	1,619	1,486
Consultancy	61	53
External instructors	182	179
Other direct costs	862	985
	<u>2,724</u>	<u>2,703</u>

	Total 2023 £'000	Total 2022 £'000
<b>Analysis of Support Costs</b>		
Support staff costs	2,540	2,073
Recruitment and training	109	80
Depreciation	26	37
Premises costs	122	90
Technology costs	180	187
Motor and travel expenses	63	38
Advertising and Marketing	35	14
Postage and stationery	13	5
Insurance	19	12
Finance Costs	25	25
Telephone	24	21
Other support costs	42	39
Governance	33	24
	<u>3,231</u>	<u>2,645</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 8 STAFF COSTS

	Total 2023 £'000	Total 2022 £'000
a Staff costs during the year were:		
Wages and salaries	3,723	3,095
Social security costs	346	283
Pension costs	473	216
	<u>4,542</u>	<u>3,594</u>
Agency staff costs	54	2
Staff restructuring costs	-	20
	<u>4,596</u>	<u>3,616</u>
Staff restructuring costs comprise:		
Redundancy payments	-	11
Settlements	-	9
	<u>-</u>	<u>20</u>

## b Redundancy payments

Included in staff restructuring costs is £Nil (2022 : £10,605) redundancy payments. Individually the payments were for £Nil.

## c Staff numbers

The average number of persons (including senior management team) employed by the society during the year ended 31 March 2023 expressed as whole persons was as follows:

	Total 2023 No	Total 2022 No
<b>Charitable Activities</b>		
Management	7	5
Administration and support	131	122
	<u>138</u>	<u>127</u>

## d Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	Total 2023 No	Total 2022 No
£60,001 - £70,000	3	4
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

## e Key management personnel

The key management of the Society comprise the trustees, directors and the senior management team. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Society was £462,597 (2022 : £417,326).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

**9 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

The trustees did not receive any payments, other than expenses, from the Society in respect of their role as trustees.

During the year ended 31 March 2023 there were £Nil (2022: £nil) in travel and subsistence expenses reimbursed to the trustees in their role as trustees.

Other related party transactions including trustees are set out in note 28.

**10 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the society has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on society business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**11 TANGIBLE FIXED ASSETS GROUP**

	<b>Furniture &amp; Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2022	7	119	34	160
Additions	4	29	33	66
Disposals	-	-	(18)	(18)
At 31 March 2023	<u>11</u>	<u>148</u>	<u>49</u>	<u>208</u>
<b>Depreciation</b>				
At 1 April 2022	6	95	17	118
Charged in year	2	18	11	31
Disposals	-	-	(8)	(8)
At 31 March 2023	<u>8</u>	<u>113</u>	<u>20</u>	<u>141</u>
<b>Net book value</b>				
At 31 March 2023	<u>3</u>	<u>35</u>	<u>29</u>	<u>67</u>
At 31 March 2022	<u>1</u>	<u>24</u>	<u>17</u>	<u>42</u>

**SOCIETY**

	<b>Furniture &amp; Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2022	7	119	13	139
Additions	4	28	23	55
Disposals	-	-	-	-
At 31 March 2023	<u>11</u>	<u>147</u>	<u>36</u>	<u>194</u>
<b>Depreciation</b>				
At 1 April 2022	6	95	10	111
Charged in year	2	18	7	27
Disposals	-	-	-	-
At 31 March 2023	<u>8</u>	<u>113</u>	<u>17</u>	<u>138</u>
<b>Net book value</b>				
At 31 March 2023	<u>3</u>	<u>34</u>	<u>19</u>	<u>56</u>
At 31 March 2022	<u>1</u>	<u>24</u>	<u>3</u>	<u>28</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

12 INVESTMENT ASSETS  
GROUP AND COMPANY

The Society owns 100% of the Ordinary shares of Active Wellbeing Works Limited, a company incorporated in England and Wales with a nominal value of £1. The principal activity of the company is the provision of trading services and leisure facilities. Turnover for the year ending 31 March 2023 was £424,595 (2022: £247,817), expenditure was £392,001 (2022: £171,755) and the profit was £32,594 (2022: £76,062). The assets of the company at 31 March 2023 were £152,074 (2022: £168,612), liabilities were £135,121 (2022: £76,872) and capital and reserves were £16,952 (2022: £91,740). The policy of Active Wellbeing Works Limited is to make a corporate donation to The Active Wellbeing Society Limited to be used for charitable purposes, based on the taxable profits within 9 months of the end of the accounting period.

	Group 2023 £'000	Society 2023 £'000	Group 2022 £'000	Society 2022 £'000
<b>13 DEBTORS</b>				
Trade debtors	516	417	377	316
Other debtors	40	40	29	29
Prepayments and accrued income	225	213	177	161
Amounts due from group undertakings	-	107	-	32
	<u>781</u>	<u>777</u>	<u>583</u>	<u>538</u>
<b>14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
	Group 2023 £'000	Society 2023 £'000	Group 2022 £'000	Society 2022 £'000
Trade creditors	159	159	110	108
Taxes and social security	89	89	81	81
Other creditors	166	140	35	21
Deferred income	1,828	1,828	1,094	1,067
Accruals	145	143	182	180
Amounts due to group undertakings	-	-	-	11
	<u>2,387</u>	<u>2,359</u>	<u>1,502</u>	<u>1,468</u>
<b>15 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR</b>				
	Group 2023 £'000	Society 2023 £'000	Group 2022 £'000	Society 2022 £'000
Loan	500	500	500	500

On 17 April 2018 the Society took out an unsecured loan of £500,000 at an interest rate of 5% per annum repayable by 31 March 2023. A new repayment profile is currently being negotiated with Birmingham City Council, who provided the loan facility. Payment is expected to be made by 31 March 2027.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 16 FUNDS

The income funds of the Group comprise the following balances of grants to be applied for specific purposes:

Group	Balance at 1 April 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 March 2023 £'000
<b>Restricted general funds</b>					
Wellbeing Outcome fund (note i)	335	1,669	(1,761)	60	303
Bikeability grant (note ii)	52	359	(387)	-	24
Active Parks Delivery fund (note iii)	5	59	(4)	(60)	-
Active Communities (note iv)	9	2,373	(2,372)	-	10
Commonwealth Active Communities (note v)	-	130	(130)	-	-
This Girl Can (note vi)	-	1	(1)	-	-
Healthy Communities (note vii)	-	531	(559)	28	-
Active Essex Grant (note viii)	-	40	(40)	-	-
Cyclist Club (note ix)	-	256	(256)	-	-
Community Foods and Sharing Projects (note x)	-	24	(26)	2	-
Kickstart Scheme (note xi)	-	23	(22)	-	1
Happy Healthy Holidays (note xii)	-	12	(3)	-	9
Step Back Out (note xiii)	-	52	(52)	-	-
Other Grant Income	-	37	(75)	43	5
	<u>401</u>	<u>5,566</u>	<u>(5,688)</u>	<u>73</u>	<u>352</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xiv)	(982)	-	(267)	1,249	-
	<u>(982)</u>	<u>-</u>	<u>(267)</u>	<u>1,249</u>	<u>-</u>
<b>Total restricted funds</b>	<b>(581)</b>	<b>5,566</b>	<b>(5,955)</b>	<b>1,249</b>	<b>352</b>
<b>Unrestricted funds</b>					
Unrestricted funds	321	455	(679)	(73)	24
<b>Total unrestricted funds</b>	<b>321</b>	<b>455</b>	<b>(679)</b>	<b>(73)</b>	<b>24</b>
<b>Total funds</b>	<b>(260)</b>	<b>6,021</b>	<b>(6,634)</b>	<b>1,249</b>	<b>376</b>

**Notes**

- i) The Wellbeing outcome fund has been used for advancing health and saving lives for residents within Birmingham.
- ii) Bikeability funding has been used to provide the Bikeability programme to children across Birmingham.
- iii) Park Lives funding has been used to provide activities in parks across Birmingham.
- iv) Active Communities grant has been used to support collaborative working and innovation, including the delivery of place-based community building, using social, civic and physical activity.
- v) Commonwealth Active Communities funding has been used to tackle inactivity in local communities and engage underrepresented groups by delivering activity in: parks and green spaces.
- vi) This Girl Can supports women and girls to be socially and physically active through initiatives across Birmingham
- vii) Healthy Communities funding has been used for a social prescribing link worker service commissioned by 9 Primary Care Networks in Birmingham.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 16 FUNDS (Cont'd)

*Notes (Cont'd)*

- viii) Active Essex Grant has been used to support Essex projects that help residents lead active and healthy lives.
- ix) The Cyclist Club funding has been used to provide bicycles to residents across Birmingham.
- x) Community Food projects take food that would otherwise end up in landfill and provide free food to those experiencing food poverty. Sharing Projects work with communities to extend and widen the range of products they have in communities rather than buy them individually, encouraging people to share skills, knowledge and time in return, showing the circular economy in action.
- xi) Kickstart Scheme provided funding to create new jobs for 16-24 year olds on Universal Credit who are at risk of long term unemployment.
- xii) Holiday Activities and Food was a programme supporting school children across Birmingham to access free activities and food during the school holidays.
- xiii) Step Back Out supported communities to create the conditions for people to participate and reverse the habits that had formed since the start of the pandemic.
- xiv) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).

Comparative information in respect of the preceding period is as follows:

Group	Balance at 1 April 2021 £'000	Incoming Resources Resources £'000	Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 March 2022 £'000
<b>Restricted general funds</b>					
Wellbeing Outcome fund (note i)	470	1,759	(1,894)	-	335
Bikeability grant (note ii)	34	341	(323)	-	52
Active Parks Delivery fund (note iii)	5	17	(17)	-	5
Active Communities (note iv)	-	2,213	(2,204)	-	9
Food for Life (note v)	-	10	(10)	-	-
This Girl Can (note vi)	-	58	(58)	-	-
Healthy Communities (note vii)	-	423	(423)	-	-
Community Foods and Sharing Projects (note xiv)	-	32	(32)	-	-
Kickstart Scheme (note xv)	-	100	(100)	-	-
Happy Healthy Holidays (note xvi)	-	155	(155)	-	-
Step Back Out (note xvii)	-	89	(89)	-	-
Other Grant Income	-	5	(5)	-	-
Donations	-	1	(1)	-	-
	<b>509</b>	<b>5,203</b>	<b>(5,311)</b>	<b>-</b>	<b>401</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xii)	(1,333)	-	(37)	388	(982)
	<b>(1,333)</b>	<b>-</b>	<b>(37)</b>	<b>388</b>	<b>(982)</b>
<b>Total restricted funds</b>	<b>(824)</b>	<b>5,203</b>	<b>(5,348)</b>	<b>388</b>	<b>(581)</b>
<b>Unrestricted funds</b>					
Unrestricted funds	177	259	(115)	-	321
<b>Total unrestricted funds</b>	<b>177</b>	<b>259</b>	<b>(115)</b>	<b>-</b>	<b>321</b>
<b>Total funds</b>	<b>(647)</b>	<b>5,462</b>	<b>(5,463)</b>	<b>388</b>	<b>(260)</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 16 FUNDS (cont'd)

Society	Balance at 1 April 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 March 2023 £'000
<b>Restricted general funds</b>					
Wellbeing Outcome fund (note i)	335	1,669	(1,759)	60	305
Bikeability grant (note ii)	52	359	(387)	-	24
Active Parks Delivery fund (note iii)	5	59	(4)	(60)	-
Active Communities (note iv)	9	2,373	(2,372)	-	10
Commonwealth Active Communities (note v)	-	130	(130)	-	-
This Girl Can (note vi)	-	1	(1)	-	-
Healthy Communities (note vii)	-	531	(559)	28	-
Active Essex Grant (note viii)	-	40	(40)	-	-
Cyclist Club (note ix)	-	256	(256)	-	-
Community Foods and Sharing Proje	-	24	(26)	2	-
Kickstart Scheme (note xi)	-	23	(22)	-	1
Happy Healthy Holidays (note xii)	-	12	(3)	-	9
Step Back Out (note xiii)	-	52	(52)	-	-
Other Grant Income	-	37	(75)	43	5
	<u>401</u>	<u>5,566</u>	<u>(5,686)</u>	<u>-</u>	<u>354</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xii)	(982)	-	(267)	1,249	-
	<u>(982)</u>	<u>-</u>	<u>(267)</u>	<u>1,249</u>	<u>-</u>
<b>Total restricted funds</b>	<b>(581)</b>	<b>5,566</b>	<b>(5,953)</b>	<b>1,249</b>	<b>281</b>
<b>Unrestricted funds</b>					
Unrestricted funds	229	209	(359)	(73)	6
<b>Total unrestricted funds</b>	<b>229</b>	<b>209</b>	<b>(359)</b>	<b>-</b>	<b>6</b>
<b>Total funds</b>	<b>(352)</b>	<b>5,775</b>	<b>(6,312)</b>	<b>1,249</b>	<b>360</b>

Comparative information in respect of the preceding period is as follows:

Society	Balance at 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 March 2022 £'000
<b>Restricted general funds</b>					
Wellbeing Outcome fund (note i)	470	1,759	(1,894)	-	335
Bikeability grant (note ii)	34	341	(323)	-	52
Active Parks Delivery fund (note iii)	5	17	(17)	-	5
Active Communities (note iv)	-	2,214	(2,205)	-	9
Food for Life (note v)	-	10	(10)	-	-
This Girl Can (note vi)	-	58	(58)	-	-
Healthy Communities (note vii)	-	423	(423)	-	-
Community Foods and Sharing Projects	-	32	(32)	-	-
Kickstart Scheme	-	100	(100)	-	-
Happy Healthy Holidays	-	155	(155)	-	-
Other Grant Income	-	5	(5)	-	-
Step Back Out	-	89	(89)	-	-
	<u>509</u>	<u>5,203</u>	<u>(5,311)</u>	<u>-</u>	<u>401</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (note xii)	(1,333)	-	(37)	388	(982)
	<u>(1,333)</u>	<u>-</u>	<u>(37)</u>	<u>388</u>	<u>(982)</u>
<b>Total restricted funds</b>	<b>(824)</b>	<b>5,203</b>	<b>(5,348)</b>	<b>388</b>	<b>(581)</b>
<b>Unrestricted funds</b>					
Unrestricted funds	64	181	(16)	-	229
<b>Total unrestricted funds</b>	<b>64</b>	<b>181</b>	<b>(16)</b>	<b>-</b>	<b>229</b>
<b>Total funds</b>	<b>(760)</b>	<b>5,384</b>	<b>(5,364)</b>	<b>388</b>	<b>(352)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2023 are represented by:

Group	Pension		General	Total
	Unrestricted	Restricted	Restricted	
	Funds £'000	Funds £'000	Funds £'000	
Tangible fixed assets	11	-	56	67
Current assets	148	-	3,048	3,196
Current liabilities	(135)	-	(2,252)	(2,387)
Non current liabilities	-	-	(500)	(500)
Pension scheme liability	-	-	-	-
	<u>24</u>	<u>-</u>	<u>352</u>	<u>376</u>

Comparative information in respect of the preceding period is as follows:

Fund balances at 31 March 2022 are represented by:

Group	Pension		General	Total
	Unrestricted	Restricted	Restricted	
	Funds £'000	Funds £'000	Funds £'000	
Tangible fixed assets	14	-	28	42
Current assets	384	-	2,298	2,682
Current liabilities	(77)	-	(1,425)	(1,502)
Non current liabilities	-	-	(500)	(500)
Pension scheme liability	-	(982)	-	(982)
	<u>321</u>	<u>(982)</u>	<u>401</u>	<u>(260)</u>

Fund balances at 31 March 2023 are represented by:

Society	Pension		General	Total
	Unrestricted	Restricted	Restricted	
	Funds £'000	Funds £'000	Funds £'000	
Tangible fixed assets	-	-	56	56
Current assets	6	-	3,155	3,161
Current liabilities	-	-	(2,359)	(2,359)
Non current liabilities	-	-	(500)	(500)
Pension scheme liability	-	-	-	-
	<u>6</u>	<u>-</u>	<u>352</u>	<u>358</u>

Comparative information in respect of the preceding period is as follows:

Fund balances at 31 March 2022 are represented by:

Society	Pension		General	Total
	Unrestricted	Restricted	Restricted	
	Funds £'000	Funds £'000	Funds £'000	
Tangible fixed assets	-	-	28	28
Current assets	229	-	2,341	2,570
Current liabilities	-	-	(1,468)	(1,468)
Non current liabilities	-	-	(500)	(500)
Pension scheme liability	-	(982)	-	(982)
	<u>229</u>	<u>(982)</u>	<u>401</u>	<u>(352)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 18 CAPITAL COMMITMENTS

	2023	2022
	£'000	£'000
Contracted for, but not provided in the financial statements	Nil	Nil
Authorised by trustees, but not yet contracted	Nil	Nil

## 19 COMMITMENTS UNDER OPERATING LEASES

*Operating leases - Group and Society*

At 31 March 2023 the total of the Society's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	Land & Buildings £'000	Land & Buildings £'000
Operating leases which expire:		
- Within one year	45	-
- Within two to five years	132	-
	<u>177</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 20 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	(613)	(1)
Adjusted for:		
Depreciation (note 11)	31	41
Interest receivable	(15)	(1)
Profit on disposal of tangible fixed assets	(2)	-
Defined benefit pension scheme cost less contributions payable (note 26)	240	10
Defined benefit pension scheme finance cost (note 26)	27	27
Increase in debtors	(198)	(209)
Increase in creditors	885	209
<b>Net cash provided by operating activities</b>	<b>355</b>	<b>76</b>

## 21 CASH FLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£'000	£'000
Interest received	15	1
Purchase of tangible fixed assets	(66)	(15)
Disposal of tangible fixed assets	12	-
<b>Net cash used in investing activities</b>	<b>(39)</b>	<b>(14)</b>

## 22 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>

## 23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 March	At 31 March
	2023	2022
	£'000	£'000
Cash in hand and at bank	2,415	2,099
<b>Total cash and cash equivalents</b>	<b>2,415</b>	<b>2,099</b>

## 24 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April	Cash flows	At 31 March
	2022		2023
	£'000	£'000	£'000
Cash in hand and at bank	2,099	316	2,415
	<u>2,099</u>	<u>316</u>	<u>2,415</u>
Debt due after one year	(500)	-	(500)
<b>Total</b>	<b><u>1,599</u></b>	<b><u>316</u></b>	<b><u>1,915</u></b>

## 25 SHARE CAPITAL AND MEMBERS' LIABILITY

Each member of the charitable society undertakes to contribute to the assets of the society in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member. The share capital of the society is £60 (2022:£60).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)****26 PENSION AND SIMILAR OBLIGATIONS**

The Society's employees belong to two principal pension schemes: the Local Government Pension Scheme (LGPS) for staff which is managed by West Midlands Pension Fund and an auto enrolment pension scheme. The Local Government Pension Scheme is a defined multi employer benefit scheme and the auto enrolment pension scheme is a defined contribution scheme.

Following the transfer of employees from the local authority, Birmingham City Council, to the Society on 1 July 2018 there was a transfer of employers LGPS liabilities of £697,000 under Transfer of Undertakings (Protection of Employment) Regulations 2006.

The total pension cost to the Society during the year ended 31 March 2023 was £473,000 (2022: £216,000) of which £282,000 (2022 : £53,000) relates to the LGPS and £191,000 (2022: £163,000) relates to the auto enrolment pension scheme .

The pension costs of the LGPS are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the LGPS is at 31 March 2019.

Contributions amounting to £22,557 (2022: £20,239) were payable to the LGPS scheme £730 (2022: £1,147) and NEST scheme £21,827 (2022: £19,092) at 31 March 2023 and are included within creditors.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 March 2023 was £18,000 (2022: £19,000) of which employers contributions totalled £15,000 (2022: £16,000) and employees contributions totalled £3,000 (2022: £3,000). The agreed contributions for future years are 19.2% (2022: 19.2%) for employers and 5.8% to 8.5% (2022: 5.8% to 8.5%) for employees.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Local Government Pension Scheme (cont'd)

## Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 March 2023	At 31 March 2022
	% per annum	% per annum
Discount rate	4.8%	2.8%
Salary increases	4.0%	4.2%
Pension increase	3.0%	3.2%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as

	At 31 March 2023	At 31 March 2022
	Approx £'000	Approx £'000
Discount rate reduced by 0.1% per annum	41	75
Assumed pension increased by 0.1% per annum	39	51
Salary growth increased by 0.1% per annum	2	22

The mortality assumptions used were as follows:

	2023	2022
	years	years
Longevity at age 65 retiring today		
- Men	19.6	21.2
- Women	23.7	23.6
Longevity at age 65 retiring in 20 years		
- Men	22.2	22.9
- Women	25.3	25.4

The Society's share of the assets in the scheme were:

	Fair value at 31 March 2023	Fair value at 31 March 2022
	£'000	£'000
Equity instruments	1,238	1,203
Debt instruments	401	395
Property	128	125
Cash	55	72
<b>Total market value of assets</b>	<b>1,822</b>	<b>1,795</b>
<b>Present value of scheme liabilities</b>		
- Funded	(1,822)	(1,795)
- Unfunded	-	(982)
<b>Total liabilities</b>	<b>(1,822)</b>	<b>(2,777)</b>
<b>Deficit in the scheme</b>	<b>-</b>	<b>(982)</b>

The actual return on the scheme assets in the year was a deficit of £10,000 (2022: £137,000 surplus).

## Amounts recognised in the Statement of Financial Activities

	2023	2022
	£'000	£'000
Current service cost	255	26
Interest income	(49)	(34)
Interest cost	76	61
<b>Total operating charge</b>	<b>282</b>	<b>53</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

## 26 PENSION AND SIMILAR OBLIGATIONS (Continued)

	2023 £'000	2022 £'000
<b>Movement in deficit during the period</b>		
Balance at 1 April 2022	982	1333
Movement in year:		
- Employer service cost (net of employee contributions)	255	26
- Employer contributions	(15)	(16)
- Expected return on scheme assets	(49)	(34)
- Interest cost	76	61
- Actuarial gains	(1,249)	(388)
<b>Deficit in the scheme at 31 March 2023</b>	<u>-</u>	<u>982</u>

**Changes in the present value of defined benefit obligations were as follows:**

	2023 £'000	2022 £'000
Balance at 1 April 2022	2,777	2,993
Current service cost	255	26
Interest cost	76	61
Contributions by scheme participants	3	3
Benefits paid	(12)	(21)
Actuarial gains	(1,277)	(285)
<b>Scheme liabilities at 31 March 2023</b>	<u>1,822</u>	<u>2,777</u>

**Changes in the fair value of society's share of scheme assets:**

	2023 £'000	2022 £'000
Balance at 1 April 2022	1,795	1,660
Expected return on scheme assets	49	34
Actuarial (losses)/gains	(28)	103
Contributions by employer	15	16
Benefits paid	(12)	(21)
Contributions by scheme participants	3	3
<b>Fair value of scheme assets at 31 March 2023</b>	<u>1,822</u>	<u>1,795</u>

The estimated value of employers contributions for the year ended 31 March 2023 is £8,000 (2023 : £17,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

**27 PENSION FUNDING**

In accordance with the Admission Agreement to participate in the Local Government Pension scheme following the transfer of employees from the local authority, Birmingham City Council, to the Society on 1 July 2018 there was a transfer of employers LGPS liabilities of £697,000 under Transfer of Undertakings (Protection of Employment) Regulations 2006. Birmingham City Council however, have agreed that any liabilities relating to the Scheme membership prior to the Commencement Date of the Eligible Employees listed in the Schedule are 100% funded (as determined by the Actuary in accordance with the actuarial assumptions consistent with the most recent actuarial valuation of the Fund before the Commencement Date (updated to the Commencement Date as necessary)). Where any additional funding (as certified by the Actuary) is necessary, this shall be deducted from the Scheme Employer's notional allocation of assets within the Fund. For the avoidance of doubt, 100% funded shall mean that the Admission Body shall be notionally allocated at the Commencement Date an amount of assets within the Fund equal to the value placed on the liabilities as at the Commencement Date as determined by the Actuary.

The effect of the paragraph above within the Admission Agreement is that when employees are transferred to the Society, West Midlands Pension Fund will assess whether there is a deficit relating to the funding of the scheme for those employees. If the scheme is in deficit, being 100% funded means that the Society are not responsible for the deficit that has arisen before taking on those employees.

However, the Society will take on the liabilities relating to those employees, which can change over time. The Society will be responsible therefore for any changes to the deficit that arise from the commencement of the contract in relation to those past service liabilities.

**28 RELATED PARTY TRANSACTIONS**

Owing to the nature of the Society's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Society's financial regulations and normal procurement procedures. The following related party transactions took place in the period

J Warmington, a trustee of The Active Wellbeing Society Limited, is also the CEO of B:RAP Ltd. The transactions totalled £nil (2022: £13,530). £nil (2022: £nil) was outstanding at 31 March 2023.

All transactions were conducted at arm's length, in accordance with The Active Wellbeing Society Limited's normal procurement procedures and with Charities SORP 2019 (FRS 102).