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| HIGH LIFE HIGHLAND  REPORT TO BOARD OF DIRECTORS  1 September 2021 | AGENDA ITEM  REPORT No HLH/ /21 |

## **APPROVAL OF DRAFT ANNUAL REPORT AND ACCOUNTS TO 31 MARCH 2021 - Report by Chief Executive**

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| **Summary** The purpose of this report is to present the annual report and accounts for High Life Highland for the period ending 31 March 2021.  It is recommended that Directors:   1. agree the finalised Annual Report and Audited Accounts as circulated separately; and 2. authorise the Chair to sign the Directors Going Concern statement also circulated separately. |

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| **1.** | **Business Plan Contribution** |
| 1.1 | This report supports all the Business Outcomes from the High Life Highland (HLH) Business Plan:   1. **Sustain a high standard of health and safety, and environmental performance** 2. **Implement the Service Delivery Contract with THC** 3. **Improving customer engagement and satisfaction** 4. **Improving staff engagement and satisfaction** 5. **Enhance the positive charity image** 6. **Be a trusted and effective partner** 7. **Achieve sustainable growth across the organisation** 8. **Develop health and wellbeing across Highland communities** 9. **Develop and promote the High Life brand** |
| **2.** | **Annual Report and Accounts to 31 March 2021** |
| 2.1 | The period covered by the annual report and accounts is the financial year from 1 April 2020 to 31March 2021. |
| 2.2  2.3 | Due to the ongoing work on the Going Concern Review, the draft annual report and accounts and Directors Going Concern Review Statement will be circulated separately prior to the meeting  A copy of Saffery Champness’s Management Report detailing the Audit findings is attached as **Appendix A.** |
| **3.** | **Directors Statement** |
| 3.1 | The attention of Directors is drawn to page 16 of the report, and to the importance of ensuring the accuracy of the statement. Although this is signed by the Chair on behalf of the Directors, it is the responsibility of individual Directors to ensure that they have disclosed the required information. |
| 3.2  3.3 | The net surplus for the year ended 31 March 2021 was £321,797.  The total reserves, excluding the pension adjustment at 31 March 2021 was as follows below. £2M of Unrestricted reserves has been earmarked to cover the projected deficit in financial year 2021/22, leaving a projected balance of £913,111 which is 3% of turnover as per the charity’s reserves policy.   |  |  | | --- | --- | | Unrestricted | £2,913,111 | | Restricted | £571,034 | | Designated | £139,715 | |  | £3,623,860 | |
| **4.** | **Pensions Liability** |
| 4.1  4.2 | Directors may note that the pensions liability for the year ended 31 March 2021 is £29,150,000, representing an increase of £19,420,000 on the previous year. Per The Highland Council resources Committee meeting of 8 June 2011, all pension liabilities are guaranteed by The Highland Council as the charity’s owner.    Donald Forsyth, Partner, Saffery Champness, who will be in attendance at the meeting will provide a full explanation of the pension adjustment - please refer to Note 20. |
| **5.** | **Implications** |
| 5.1  5.2  5.3  5.4 | Resource Implications – there are no new resource implications arising from the content of this report  Legal Implications – failure to agree the content of an annual report and accounts would have serious legal implications. However, Directors are at liberty to propose amendments to the report as presented by the Chief Executive.  Risk Implications – there are no new risks arising from the content of this report.  Equality Implications – there are no new equality implications arising from the content of this report. |
| **Recommendation** It is recommended that Directors:   1. agree the finalised Annual Report and Audited Accounts as circulated separately; and 2. authorise the Chair to sign the Directors Going Concern statement also circulated separately. | |

Designation: Chief Executive

Date: 20 August 2021