

REGISTERED COMPANY NUMBER: 08737838 (England and Wales)
REGISTERED CHARITY NUMBER: 1158520

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019
FOR
BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**



Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31ST MARCH 2019**

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**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

The trustees who are also directors of the company for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2019. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08737838 (England and Wales)

Registered Charity number
01158520

Registered office
St Peters Centre
Bank Parade
Church Street
Burnley
Lancashire
BB11 2DL

Trustees

Mr A Preston – Chairman
Dr S Minten
Mr T Hephrun
Mr M Heaton
Cllr A Raja (Resigned 19th November 2018)
Mrs J Baldwin
Mrs D Livesey
Mr W Rashid
Mrs J Sharpley
Cllr A Anwar (Appointed 21st May 2018)
Mr N Tranmer (Appointed 21st May 2018)
Mrs S Graham (Resigned on 16th May 2018)
Mrs B Foster (Appointed 19th November 2018)

Key Management Personnel

Mr G Vinton – Chief Executive

Auditors

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
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**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

Bankers

HSBC Bank Plc
12 Manchester Road
Burnley
Lancashire
BB11 1JH

Solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was incorporated on 17th October 2013 and registered as a charity on 10th September 2014. The charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a company, limited by guarantee, as defined by the Companies Act 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The Board shall consist of at least three and not more than eleven individuals, comprised as follows:

- two Employee Trustees;
- up to two Local Authority Trustees; and
- up to seven Community Trustees

The Community Trustees shall at all times be in the majority. These trustees shall be elected with necessary expertise co-opted where appropriate by the existing trustees. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to ensure regular reports are produced and that the necessary steps can be taken to address any issues arising.

Burnley Leisure is a registered charity operating within a company limited by guarantee. The board of trustees has the authority to co-opt individuals with relevant expertise where appropriate.

Organisation structure

The Board currently consists of eleven trustees and is responsible for key policy decisions and the effective governance of the organisation overall. The Board has a minimum of six meetings per financial year.

The day to day operations of Burnley Leisure are managed by the charity's senior management team (the Executive) made up of the Chief Executive and four Service Managers. The Executive is given strategic direction by a Board of Trustees (the Board) regarding the provision and operation of the services in accordance with the contracts, leases and funding agreements made with Burnley Borough Council. The Board has ultimate responsibility for the governance of the charity, and directs, supports and challenges the Executive in its work.

Related parties

Trustees are required to declare an interest if they are involved in any activities which may compromise their role as a Trustee and a monitoring mechanism is in place. The related party transactions during the past year have been disclosed below in the notes to the financial statements.

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

OBJECTIVES AND ACTIVITIES

Burnley Leisure has been established for Public Benefit:

- To provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for Recreation or other Leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity of disability, financial hardship or social circumstances or to the public at large with the object of improving their conditions of life; and/or
- To promote community participation in Healthy Recreational Activities; and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including the use for meetings, lecture and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities; and/or
- To advance the education of the public in all aspects of dramatic art through the provision of a theatre; and/or
- Such other charitable purposes as the trustees in their absolute discretion may determine

Public benefit

The trustees are confident that the charity offers services of real and practical use to the local population and therefore complies with the responsibility placed on all charities under the Charities Act 2011 to demonstrate a public benefit.

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

ACHIEVEMENTS AND PERFORMANCE

This year has been an extremely productive year for all parts of the charity. We have successfully managed to produce a surplus, before pension adjustments, which has increased our reserves and has allowed us to invest in an overhaul of our marketing presence.

This report gives a brief outline of our successes and a comprehensive round-up will be included in our main annual report.

Cultural Services

Burnley Mechanics

We believe this season has been our most successful to date, with named key performers enhancing the sales to an average of 4 out of 5 shows selling out with the remaining shows hitting an average of around 400 plus sales therefore only just missing out on the maximum capacity.

The season has featured more household names including Paul Merton, Steve Davies, (Strictly dancers) Giovanni Pernice and Vincent Simone, The Fishermans Friends, touring alongside their biopic box office hit film, Sir Ian McKellen and comedians Cannon and Ball, Reginal D Hunter and Jasper Carrot. Sticking to high profile tributes shows such as Gary Mullen's Queen, Abba, The Eagles and 80's mania resulted in all shows selling out months in advance. Children's shows featuring household names from Milkshake, CBBC and Basil Brush boosted the Easter pantomime sales.

Running alongside our Community programmer's project is the Jazz and Gin event which has grown to a sell-out, so the group are looking at other areas to develop. Dance schools continue to flourish with more new enquiries, so much so we are struggling to fit them in. We are constantly balancing the programme to ensure it is sustainable.

For 2019/20 - Our autumn / winter season is selling very well, including theatre productions, which have proven difficult to sell in the past are selling better than expected at this stage in the year. Open air Alice in Wonderland, The Haunting of Blaine Manor for Halloween, comedy play Right Place Wrong Time, with named actors and The Sound of Music (BLOS).

Heritage lottery was Resubmitted for Burnley Mechanics and got favourable feedback, however only 13% of national entries were successful so sadly we were not awarded the funding. However, we have been encouraged to resubmit once the new applications have been released. All partners are still on board.

Arts Development

Burnley Light Night

A successful second year of this event. Partnering with Handmade Parade meant local artists developed skills and the event scaled up significantly from the previous year. Workshops in schools, including one special needs school, as well as public workshops in the Library and town centre spaces, increased participation and reach. 43 volunteers supported the project, including Burnley College students, and several members of Syrian refugee community. Bespoke large scale lantern artworks produced for the parade were then displayed in the Town Centre for 7 weeks, delighting passer-byers and raising the profile of the event.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Arts Development (continued)

Thompson Park / Generation Change - A project engaging 16 to 25 year olds in regular artist led sessions in Thompson Park Pavillion. Burnley Youth Theatre worked with Blaze to initiate the project in Spring/Summer 2018 and produced a performance event as part of the Fun Day. Super Slow Way have brought added resource to the project, strengthening the outreach and focussing activity

Changing Exhibitions Gallery - Burnley Mechanics continues to provide local artists with gallery space to show and sell their work. Community Projects also make use of the space to celebrate outcomes in exhibitions, such as Calico project Happy and Proud. 6 artists exhibited over the year

Up and Active

A third year of amazing achievements is reflected in the outputs of U&A, which has seen our committed team provide countless opportunities for individuals to become more active and lose weight. Our committed teams reach deep into the heart of communities, workplaces, primary schools, supermarkets, local parks, medical centres and community venues, using their expert knowledge of local areas and experience in physical activity and exercise, and healthy eating.

Year 3 - Up & Active programme has achieved the following outputs:

Referrals / Self referrals	Total
Cardiac Rehabilitation	98
Weight Management	313
Physical Activity	510
Community Engagement	
Community Events	52
Early interventions / service users in attendance in community activities	19,593
Community sessions	867
Weigh In's / Drop In's	497
Press releases	56
Volunteers	18
Schools supported	25
Facebook Reach	35,107

Your Mile Your Way - Your Mile Your Way is a Lancashire-wide initiative to promote active lives and healthy weight. People across Burnley were asked with the whole of Lancashire to get people more active by participating in your mile your way; walk, run, hop, skip, jump or swim a mile during the third week in May. The challenge set by commissioners was to encourage at least 24,901 people in Lancashire to participate/pledge to take part in the Your Mile Your Way initiative, which in cumulative distance terms would equate to going around the world. Pleasingly this target was smashed and 4,230 Burnley residents became more active, which contributed to East Lancashire's fantastic achievement of 22,755.

Healthy Schools Programme - The Healthy Schools programme is an obesity prevention programme that makes specific links to key stage 2 national curriculum subjects. Working with children and young people means we have adapted information to use age appropriate language, utilise interactive resources and tools, look at how information relates to them and make our sessions fun. The programme has proven popular and has been delivered to 13 primary schools showing some very good results, with excellent feedback from all schools and children.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Up and active (continued)

Community Engagement - The success of the U&A early interventions to date has gone above and beyond our expectations. The number of participants at community/health events such as Know Your Numbers, Walk to Work/School, Diabetes, Men's Health Weeks and the weekly 'Weigh In's' has been staggering, demonstrating the willingness of people to make positive behaviour changes when appropriate activities are provided in the communities in which they live or work.

Digital Marketing - More focus has been placed on digital marketing and social media to enhance the awareness of U&A and target specific client groups, which is reflected in the pleasing number of Facebook Reaches. The content is educational, inspirational and promotional, which also includes videos and images of U&A activities.

Leisure Facilities

It's been another extremely busy year in 2018/19 with a continuing increase in usage and income across many areas with staff performing excellently to cope with demand and ensure quality of delivery stays high.

Towneley Golf Courses - Golf continues to thrive and develop against the national average with many golf courses struggling to survive. The course is in excellent condition and has been chosen this year to host two East Lancashire competitions. 7 day Memberships on the 18 hole course continue to increase and now at the highest they have been for years. Throughout the summer the Pitch & Putt and Footgolf has enjoyed increased attendances. This can be attributed to an increase in marketing activity and improvements for booking arrangements. During 2018 we took over the running of the clubhouse and bar which had been trading poorly but a restructure of staffing and a number of building improvements are planned to increase usage and the viability of this area.

In April 2019 we have 313 members which is an increase of 16% in the last 12 months (262 April 18).

Swimming Lesson Provision - Our Swim Academy continues to grow with over 600 swimmers registered in our swimming Schools across St Peters and Padiham Leisure Centres. Demand for one to one lessons are on the increase and is an area we are developing during 2019 along with training and recruiting more qualified coaches to meet demand.

We are pleased to see that our School Swimming programme has also increased with an ever increasing number of schools outside of the borough traveling to our sites for instruction. The team are looking forward to our upcoming Disney themed marketing partnership with Swim England that will also be backed up with our sale of goods at reception desks.

Our Swimming teachers have all completed Disability Awareness, Deaf Friendly, School Water Safety, Visual Impaired Swimming, and Introduction to Para Swimming training.

Gym Membership - St Peters Leisure Centre gym was refurbished in December 2018 and means both facilities now have top of the range equipment with a diverse range of equipment suitable for all levels.

Burnley Leisure gym membership is currently at 3,500, an 11% increase from April 2018 to April 2019. A firm focus on juniors and family has been successful and we continue to build on this whilst ensuring our facilities are up to date and on trend with current equipment standards. Online joining was introduced during 2018 which has greatly improved our joining process and streamlined our administration of direct debits.

FeelGood Factory - Our FeelGood Factory toning table facility has recently been refurbished by Shapemaster and is a great addition allowing deconditioned and infirm users to access exercise. Feelgood membership as a whole has increased by 16% to 178 members over the last four months and well on target over the upcoming months to achieve the target of 200 by the end of the year.

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Leisure Facilities

Awards / Achievements

Nine staff have successfully renewed and passed their National Pool Lifeguard Qualification and we will be entering the National Pool Lifeguard Championships in 2019.

Finalists in the National Fitness Awards Regional Gym of the year 2018.

Finalists in the UK Active national awards regional gym facility of the north June 2019.

Quest quality award assessed and achieved in April 2019 at the Prairie Sports Village.

Two of our apprentices has now progressed to full time employment with Burnley Leisure.

Leisure Development

External Grant Funding - In an increasingly competitive market we continued to successfully secure external grant funding to support future capital and revenue projects:

Awards for All funding for family fishing project

Awards for All funding for young people's mental health activities in parks

CCG funding for adult learn to ride scheme at Barden track

CCG funding to deliver mental health support pilot in 3 primary schools in partnership with New Era

Active Streets contract was extended for a third year by Gannow Big Local.

We secured Sport England funding for the Family Hub project in Thompson Park – a 4 year scheme to be delivered in partnership with Action for Children to start in spring 2019.

We secured funding from Football Foundation to build a second 3G pitch at Prairie Sports Village

We also supported 4 community groups/clubs to access grant funding for project work.

Projects - We delivered the first year of Heritage Lottery funded activities in Thompson Park, which included kayaking and cycling. We concluded the successful 3 year Girls Up and Active project with partners Calico with a celebration event at the Mechanics. The project lead from Girls Up and Active was seconded to the Pennine Lancashire Sport England Pilot: Together an Active Future.

Schools - We continued to develop our relationship with Burnley schools through the School Sport Partnership, with a contract to supply a support worker for 2 days per week to Barden Primary School until July 2019.

Events - We launched a new event – the Brun Valley Trail 10k which sold out in its first year with 300 entries.

**BURNLEY LEISURE
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

The Future

As the Company becomes stable and sustainable, we need to look at building on our strengths, developing complimentary activities and diversifying the business into new income streams to assist the Council in being able to reduce its grant to us and re-direct its reducing funds into other priorities. This can only be achieved through the support of the Council in providing capital, which is paid for through the new and additional revenue income we generate.

Our areas of potential growth are through hospitality and cultural services. We see both of these areas improving our sustainability and adding further to our USP which distinguishes us from other local providers in the charity sector.

FINANCIAL REVIEW

The attached statement of financial activities shows how our funds were raised and applied during the year.

This statement separates funds, which the charity itself controls – unrestricted funds, from funds which have to be spent in a manner determined by the donor – restricted funds. In this year restricted funds have been received from various grant making bodies.

Looking to the future we will continue to maintain a tight control over costs, monitor income closely, and strive to identify future funding streams. We aim to ensure that we are well placed to react to any further negative or indeed positive impact of the economy.

Investment policy

The Trustees regularly monitor the available cash reserves of the charity and seek to maximise the interest earned on such funds.

Reserves policy

The charity has insufficient reserves to ensure that it can deal with major unexpected adverse developments without direct support from Burnley Borough Council. The trustees maintain a regular dialogue with the Council to ensure that, should major unexpected adverse developments arise, any difficulties that require attention are addressed in a mutually agreeable manner.

The trustees are confident that the charity has established diversity of operations, sufficient versatility and control of expenditures of such nature that it is able to adapt to changing circumstances that will arise from time to time under normal business circumstances.

The trustees have considered the current adverse economic climate when reviewing their reserves policy and are confident, in light of the changes planned that the charity is sufficiently robust and able to continue operating normally whilst it seeks to achieve these targets.

At the year end the charity had unrestricted reserves of £316,158 and restricted reserves of £198,439. In addition to these reserves the pension scheme was in deficit by £2,647,000.

**BURNLEY LEISURE
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Ainsworths Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr A Preston
Trustee

Date: 5th August 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Burnley Leisure (the 'charity') for the year ended 31st March 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2019 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in a Report of the Auditors 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 company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY
Date: 5th August 2019

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total Funds £
INCOME					
Income from charitable activities					
Grant income	2	44,178	583,125	627,303	653,675
Operation of leisure and arts facilities	3	<u>3,859,120</u>	<u>-</u>	<u>3,859,120</u>	<u>3,510,489</u>
Total income		3,903,298	583,125	4,486,423	4,164,164
EXPENDITURE					
Raising funds	4	386,422	-	386,422	343,894
Charitable activities					
Operation of leisure and arts facilities	5	3,483,651	496,176	3,979,827	3,697,562
Other					
Balance of pension scheme operating charge	19	333,000	-	333,000	339,000
Net interest on pension scheme liability	19	<u>53,000</u>	<u>-</u>	<u>53,000</u>	<u>52,000</u>
Total expenditure		4,256,073	496,176	4,752,249	4,432,456
NET EXPENDITURE		(352,775)	86,949	(265,826)	(268,292)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	19	<u>(151,000)</u>	<u>-</u>	<u>(151,000)</u>	<u>383,000</u>
NET MOVEMENT IN FUNDS		(503,775)	86,949	(416,826)	114,708
RECONCILIATION OF FUNDS					
Total funds brought forward		(1,827,067)	111,490	(1,715,577)	(1,830,285)
TOTAL FUNDS CARRIED FORWARD		<u>(2,330,842)</u>	<u>198,439</u>	<u>(2,132,403)</u>	<u>(1,715,577)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2019

	Notes	31.3.19 £	31.3.18 £
FIXED ASSETS			
Tangible assets	10	10,000	20,000
Investments	11	<u>2</u>	<u>2</u>
		10,002	20,002
CURRENT ASSETS			
Stock	12	61,302	48,134
Debtors	13	178,082	172,304
Cash at bank and in hand		<u>766,161</u>	<u>542,495</u>
		1,005,545	762,933
CURRENT LIABILITIES			
Amounts falling due within one year	14	<u>(500,950)</u>	<u>(378,512)</u>
		504,595	384,421
NET CURRENT ASSETS			
		514,597	404,423
TOTAL ASSETS LESS CURRENT LIABILITIES			
LONG TERM LIABILITIES			
Amounts falling due after one year	15	-	(10,000)
		514,597	394,423
NET ASSETS EXCLUDING PENSION DEFICIT			
		514,597	394,423
PENSION SCHEME DEFICIT			
	20	<u>(2,647,000)</u>	<u>(2,110,000)</u>
		(2,132,403)	(1,715,577)
NET LIABILITIES INCLUDING PENSION DEFICIT			
FUNDS			
Unrestricted funds	18	316,158	282,933
Restricted funds	19	198,439	111,490
Pension scheme deficit		<u>(2,647,000)</u>	<u>(2,110,000)</u>
		(2,132,403)	(1,715,577)
TOTAL FUNDS			
		(2,132,403)	(1,715,577)

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2019**

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1st January 2015).

The financial statements were approved by the Board of Trustees on 5th August 2019 and were signed on its behalf by:



.....
Mr A Preston
Chairman

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	31.3.19 £	31.3.18 £
Cash flows from charitable activities			
Cash generated from activities	1	<u>243,666</u>	<u>167,282</u>
Net cash from charitable activities		<u>243,666</u>	<u>167,282</u>
Cash flows from investing activities			
Interest received		<u>-</u>	<u>-</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Capital repayments in the year		<u>(20,000)</u>	<u>(35,000)</u>
Net cash from financing activities		<u>(20,000)</u>	<u>(35,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>223,666</u>	<u>132,282</u>
Cash and cash equivalents at the beginning of the year	2	<u>542,495</u>	<u>410,213</u>
Cash generated from charitable activities	2	<u>766,161</u>	<u>542,495</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.19	31.3.18
	£	£
Surplus/(deficit) for the year	(416,826)	114,708
Depreciation charges	10,000	10,000
	(406,826)	124,708
(Increase)/decrease in stocks	(13,168)	(3,244)
(Increase)/decrease in trade and other debtors	(5,778)	(70,083)
Increase/(decrease) in trade and other creditors	132,438	107,901
Increase/(decrease) in pension scheme	537,000	8,000
	243,666	167,282
Cash generated from charitable activities	243,666	167,282

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	766,161	542,495

Year ended 31st March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	542,495	410,213

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019**

1. ACCOUNTING POLICIES

Company information

Burnley Leisure is a charitable company, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the Company Information page. Each member's personal liability is limited to an amount not exceeding £1.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due.

Basis of consolidation

The financial statements include the results of Burnley Leisure only. The company's subsidiary was dormant throughout this accounting period and has therefore been excluded from consolidation.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with 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) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Burnley Leisure meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

Grants receivable are accounted for when due. Income is deferred when it is received in advance of the period to which it relates.

Investment income is recognised on a receivable basis.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management and administration of the charity.

All support costs are allocated between the activity expenditure categories on a basis designed to reflect the use of the resource. Support costs are apportioned on an appropriate basis e.g. time spent, floor areas, or estimated usage.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

2. GRANT INCOME

	31.3.19	31.3.18
	£	£
Restricted:		
LCC Public Health	374,920	367,704
Burnley, Pendle and Rossendale CVS	63,880	45,000
Blackburn with Darwen	30,000	-
Sport England	25,370	50,740
Mechanics Heritage	25,000	-
Arts Council	24,955	13,048
Big Lottery	20,000	40,000
Curious Minds	8,000	-
Stocks Massey	6,000	8,000
Lancashire County Council	5,000	7,990
Burnley Borough Council	-	20,000
Street Games	-	11,420
Lancashire Care	-	5,735
Total restricted	<u>583,125</u>	<u>569,637</u>
Unrestricted:		
Sponsorship	25,431	21,558
Up & active	12,105	4,359
Partner contributions	6,642	58,121
Total unrestricted	<u>44,178</u>	<u>84,038</u>
Total	<u><u>627,303</u></u>	<u><u>653,675</u></u>

3. CHARITABLE ACTIVITIES – OPERATION OF FACILITIES

	31.3.19	31.3.18
	£	£
Burnley Borough Council annual contract fee	443,664	423,272
Income from the operation of leisure and arts facilities	<u>3,415,456</u>	<u>3,087,217</u>
	<u><u>3,859,120</u></u>	<u><u>3,510,489</u></u>

In 2018, of the total charitable activities income, £nil was restricted and £3,510,489 was unrestricted funds.

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019**

4. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 31.3.19 £	Total 31.3.18 £
Staff costs and allowances	222,409	-	222,409	196,566
Premises expenses	9,757	-	9,757	11,925
Services and supplies	97,988	-	97,988	85,535
Transport expenses	1,616	-	1,616	1,225
Agency and contracted services	29,558	-	29,558	24,535
Business and technical support (see note 6)	25,094	-	25,094	24,107
	<u>386,422</u>	<u>-</u>	<u>386,422</u>	<u>343,893</u>

In 2018, of the total costs raising funds, £nil was restricted and £343,893 was unrestricted funds.

5. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 31.3.19 £	Total 31.3.18 £
Staff costs and allowances	2,001,677	400,513	2,402,190	2,311,053
Premises expenses	87,809	9,609	97,418	117,109
Supplies and services	881,895	30,693	912,588	799,590
Transport expenses	14,547	3,226	17,773	14,903
Agency and contracted services	266,025	30,030	296,055	222,717
Business and technical support (see note 6)	225,848	22,105	247,953	226,340
Governance costs (see note 6)	5,850	-	5,850	5,850
	<u>3,483,651</u>	<u>496,176</u>	<u>3,979,827</u>	<u>3,697,562</u>

In 2018, of the total costs of charitable activities, £596,663 was restricted and £3,100,899 was unrestricted funds.

Included in the above are governance and support costs. These costs have been allocated using an element of judgement as the charity has had to consider the cost/benefit of detailed calculations and record keeping. Therefore, support costs have been allocated accordingly to proportion of direct costs incurred within each charitable activity.

6. GOVERNANCE AND SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total Funds £
Business and technical support	250,942	22,105	273,047	250,447
Audit services	5,000	-	5,000	5,000
Non-audit services	850	-	850	850
	<u>256,792</u>	<u>22,105</u>	<u>278,897</u>	<u>256,297</u>

In 2018, of the total governance and support costs, £9,373 was restricted and £246,924 was unrestricted funds.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

7. NET INCOMING RESOURCES

Net resources are stated after charging:

	31.3.19	31.3.18
	£	£
Auditors remuneration	5,850	5,850
Depreciation	<u>10,000</u>	<u>10,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' Remuneration

During the year remuneration of £76,802 (2018: £26,706) was paid to Mr W Rashid and Mrs J Sharpley, employee trustees, in relation to their employment duties. These payments are authorised by the Articles of Association. No trustees received remuneration for their roles as trustees for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2019 nor for the year ended 31st March 2018.

9. STAFF COSTS

	31.3.19	31.3.18
	£	£
Wages and salaries	2,226,752	2,128,917
Social security costs	152,333	142,774
Other pension costs	<u>208,837</u>	<u>197,554</u>
	<u>2,587,922</u>	<u>2,469,245</u>

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

	31.3.19	31.3.18
Employees	<u>160</u>	<u>154</u>

Employees earning more than £60,000 during the year:

	31.3.19	31.3.18
£60,001 - £70,000	<u>1</u>	<u>1</u>

The above staff member participated in the defined benefit pension scheme. Contributions of £7,325 (2018: £7,182) were made in relation to this individual.

The above staff member represents the key management personnel for the charity.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1st April 2018	50,000
Additions	-
At 31st March 2019	<u>50,000</u>
DEPRECIATION	
At 1st April 2018	30,000
Charge for year	<u>10,000</u>
At 31st March 2019	<u>40,000</u>
NET BOOK VALUE	
At 31st March 2019	<u>10,000</u>
At 31st March 2018	<u>20,000</u>

11. FIXED ASSET INVESTMENTS

Investments comprise the cost of the investment in the subsidiary undertaking. Details of the subsidiary undertaking are as follows:

<u>Name of company</u>	<u>Proportion of nominal Value of issued shares held</u>	<u>Principal Activity</u>
Burnley Leisure Trading Limited	100% Ordinary shares	Dormant

12. STOCK

	31.3.19	31.3.18
	£	£
Leisure centre stock	7,384	5,067
Bar and catering	<u>53,918</u>	<u>43,067</u>
	<u>61,302</u>	<u>48,134</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade debtors	115,965	88,834
Prepayments and accrued income	11,957	58,393
Other debtors	<u>50,160</u>	<u>25,077</u>
	<u>178,082</u>	<u>172,304</u>

Debtors include £nil in respect of grants receivable at the year end. All amounts shown under debtors fall due for payment within one year.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade creditors	176,235	139,650
Taxation and social security	91,608	54,410
Accruals and deferred income	233,107	174,452
Other creditors	-	10,000
	<u>500,950</u>	<u>378,512</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	31.3.19	31.3.18
	£	£
Other creditors	-	10,000
	<u>-</u>	<u>10,000</u>

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.3.19	31.3.18
	£	£
Expiry date:		
Within 1 year	23,253	3,196
Between one and five years	73,223	4,940
	<u>96,476</u>	<u>8,136</u>

17. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total Funds £
Fixed assets	10,002	-	10,002	20,002
Current assets	807,106	198,439	1,005,545	762,933
Current liabilities	(500,950)	-	(500,950)	(378,512)
Long term liabilities	-	-	-	(10,000)
Pension scheme deficit	(2,647,000)	-	(2,647,000)	(2,110,000)
	<u>(2,330,842)</u>	<u>198,439</u>	<u>(2,132,403)</u>	<u>(1,715,577)</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

18. UNRESTRICTED FUNDS

	Pension deficit £	General funds £	Designated funds £	Total funds £
Balance at 1 st April 2018	(2,110,000)	226,081	56,852	(1,827,067)
Net income / (expenditure)	(537,000)	15,077	18,148	(503,775)
	<u>(2,647,000)</u>	<u>241,158</u>	<u>75,000</u>	<u>(2,330,842)</u>

Purposes of designated funds

The trustees have designated funds to assist in the future development of the charity. The funds set aside are for Business development, Arts development and a fund for a Minibus.

General fund

The general fund consists of the total of free reserves available to spend on the objectives of the charity.

19. RESTRICTED FUNDS

	At 1 st April 2018 £	Incoming resources £	Outgoing resources £	At 31 st March 2019 £
Project fund				
Active streets – Big Lottery	56,952	77,000	51,670	82,282
Arts development	-	35,000	-	35,000
Awards for All	-	10,000	1,947	8,053
Burnley lights festival	-	14,900	14,900	-
Creative alliance	-	1,450	1,450	-
Curious Minds	-	18,000	7,245	10,755
Cycling project	2,061	11,880	1,693	12,248
MAPS	4,657	8,605	3,786	9,476
Sports development	3,205	-	3,205	-
Stock Massey	-	6,000	6,000	-
Up and active	40,625	374,920	374,920	40,625
Up and active: Girls	-	25,370	25,370	-
Young Mechanics	3,990	-	3,990	-
	<u>111,490</u>	<u>583,125</u>	<u>496,176</u>	<u>198,439</u>

The restricted grants received in the year have been categorised above.

20. PENSION ARRANGEMENTS

The charity participates in the Lancashire County Pension Fund which is a funded defined benefit scheme providing benefits based on final remuneration. The assets of the scheme are held separately from those of the charity. Whilst this is a multi-employer scheme, the actuary is able to segregate the assets and liabilities relating to the charity. During the year, normal employer pension contributions of £208,837 (2018: £197,554) were paid to the scheme.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

20. PENSION ARRANGEMENTS (CONTINUED)

The following calculations as at 31st March 2019 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method. Principal actuarial assumptions used by the actuary were as follows:

	31.3.19	31.3.18
	%	%
Rate of CPI inflation	2.20	2.10
Rate of increase in salaries	3.70	3.60
Rate of increase in pensions	2.30	2.20
Discount rate	2.50	2.70
Life expectancy of a male future pensioner aged 65 in 20 years' time	25.10	25.00
Life expectancy of a female future pensioner aged 65 in 20 years' time	28.20	28.00
Life expectancy of a male current pensioner aged 65	22.80	22.70
Life expectancy of a female current pensioner aged 65	25.50	25.40

The amounts recognised in the balance sheet are as follows:

	31.3.19	31.3.18
	£	£
Present value of funded obligations	(10,329,000)	(8,792,000)
Fair value of plan assets	<u>7,682,000</u>	<u>6,682,000</u>
Net pension deficit	<u>(2,647,000)</u>	<u>(2,110,000)</u>

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.19	31.3.18
	£	£
Operating charge		
Current service cost	528,000	522,000
Administration expenses	<u>9,000</u>	<u>8,000</u>
Total operating charge	<u>537,000</u>	<u>530,000</u>
	31.3.19	31.3.18
	£	£
Other finance costs		
Expected return on pension scheme assets	(184,000)	(165,000)
Interest on pension scheme liabilities	<u>237,000</u>	<u>217,000</u>
Net charge	<u>53,000</u>	<u>52,000</u>
	31.3.19	31.3.18
	£	£
Total charge to resources expended in Statement of Financial Activities	<u>590,000</u>	<u>582,000</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

20. PENSION ARRANGEMENTS (CONTINUED)

Analysis of the actuarial gains and losses shown in the Statement of Financial Activities:

	31.3.19	31.3.18
	£	£
Actuarial gains / (losses) on assets	592,000	63,000
Actuarial gains / (losses) on liabilities	(743,000)	<u>320,000</u>
Actuarial gain / (loss) recognised	<u>(151,000)</u>	<u>383,000</u>

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

	31.3.19	31.3.18
	£	£
Opening defined benefit obligation	8,792,000	8,336,000
Current service cost	528,000	522,000
Interest on pension scheme liabilities	237,000	217,000
Employee contributions	107,000	100,000
Actuarial (gains)/losses	743,000	(320,000)
Benefits paid / transfers	(78,000)	(63,000)
Closing defined benefit obligations	<u>10,329,000</u>	<u>8,792,000</u>

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

	31.3.19	31.3.18
	£	£
Opening fair value of plan assets	6,682,000	6,234,000
Expected return on plan assets	184,000	165,000
Actuarial gains/(losses)	592,000	63,000
Employer contributions	204,000	191,000
Employee contributions	107,000	100,000
Administration expenses	(9,000)	(8,000)
Benefits paid / transfers	(78,000)	(63,000)
Closing fair value of plan assets	<u>7,682,000</u>	<u>6,682,000</u>

The split of assets between investment categories is as follows:

	2019	2019	2018	2018
	£	%	£	%
Equities	3,389,000	44.10	2,968,000	44.40
Government bonds	269,000	3.50	167,000	2.50
Other bonds	92,000	1.20	120,000	1.80
Property	714,000	9.30	628,000	9.40
Cash/liquidity	38,000	0.50	(27,000)	(0.40)
Other	<u>3,180,000</u>	<u>41.40</u>	<u>2,826,000</u>	<u>42.30</u>
	<u>7,682,000</u>	<u>100.00</u>	<u>6,682,000</u>	<u>100.00</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

20. PENSION ARRANGEMENTS (CONTINUED)

Amounts for the current and previous periods are as follows:

	2019	2018	2017
	£	£	£
Defined benefit obligation	(10,329,000)	(8,792,000)	(8,336,000)
Plan assets	<u>7,682,000</u>	<u>6,682,000</u>	<u>6,234,000</u>
	<u>(2,647,000)</u>	<u>(2,110,000)</u>	<u>(2,102,000)</u>

A full actuarial review of the scheme was undertaken as at 31st March 2019.

Following the full actuarial valuation at 31st March 2019, employer contributions were agreed to stay at a rate of 11.60% with effect from 1st April 2019.

The current estimate of employer contributions for the year ended 31st March 2020 is £204,000. Implied service cost is estimated at £584,000 and a net interest and administration cost at £73,000 resulting in the deficit increasing by an estimated £453,000 to £3,100,000.

21. RELATED PARTY TRANSACTIONS

Under an agreement dated 25th March 2014, the charity acquired the use of the community arts and leisure facilities in the Burnley area from the Burnley Borough Council, a related party by virtue of its grant funding to the charity. The community arts and leisure facilities include all the equipment at each site and enable the society to operate under its principal activity. The value of the equipment and the potential liability for the consideration are not included in the accounts in order to reflect the substance of the arrangement.

The charity operates from premises owned by the Burnley Borough Council.

During the period, the charity received grant funding from Burnley Borough Council of £443,664 (2018: £423,272).

Burnley Borough Council also provides professional services to the charity under a service agreement which amounted to £246,793 (2018: £239,681) in the period.

During the period sales of £40,084 (2018: £45,617) were charged to and expenditure of £30,357 (2018: £49,892) was charged by Burnley Borough Council.

In the year to 31st March 2016 Burnley Leisure borrowed £50,000 from Burnley Borough Council to cover fixed asset purchases. The loan agreement states Burnley Leisure are to repay the loan amount over five years at £10,000 per year. At the year end Burnley Leisure owed Burnley Borough Council £nil (2018: £20,000) in respect of this loan.

During the year the charity received income of £63,880 (2018: £47,275) from Burnley Pendle and Rossendale Council for Voluntary Services, a related party that shares a Trustee with Burnley Leisure.

**BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019**

22. GOING CONCERN AND POST BALANCE SHEET EVENTS

In preparing this Annual Report and Accounts, the trustees have considered their statement made regarding preparation of the financial statements on a going-concern basis. The financial statements have been produced on a going concern basis, despite the existence of net total liabilities (including the pension scheme deficit) as at 31st March 2019 because the trustees are satisfied that the charity will meet all its obligations as and when they fall due over the foreseeable future. In forming this opinion, the trustees have paid particular regard to:

- a) The nature of and future prospects for the economic climate in which the charity operates;
- b) The adequacy of the liquidity in the business demonstrated through the current 12 month forecast;
- c) The continued support of the council;
- d) The remaining term to March 2029 of the management agreement with Burnley Borough Council;
- e) The competencies of the executive staff employed by the charity;
- f) The actual performance to date for the financial year ending 31st March 2020.

The trustees are not aware of any other reportable post balance sheet events at the time of this report.