

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 2020
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)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Balance Sheet	12 to 13
Cash Flow statement	14 to 15
Notes to the Financial Statements	16 to 27

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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 2020. 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 (Resigned 6th February 2020)
Mrs J Baldwin
Mrs D Livesey
Mr W Rashid
Mrs J Sharpley (resigned 11th October 2019)
Cllr A Anwar (Resigned 29th May 2019)
Mr N Tranmer
Mrs B Foster (Resigned 29th May 2019)
Cllr H Baker (Appointed 29th May 2019)
Cllr A Newhouse (Appointed 29th May 2019)
Mrs H Tyson (Appointed 24th February 2020)

Key Management Personnel

Mr G Vinton – Chief Executive

Auditors

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

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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 2020

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 2020**

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 2020

ACHIEVEMENTS AND PERFORMANCE

This year has been an extremely productive year for all parts of the charity. We set aside £75,000 from reserves to invest in a comprehensive review and update of our marketing and PR functions as agreed last year. Both the Board and Management Team felt that this was an area of weakness and that a refreshed and updated offer was required to take the business to the next level.

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

Leisure Facilities

Facilities once again performed well and achieved our target of having over 4000 members, this fantastic achievement was down to the dedication and hard work of all of the staff. Padiham and St. Peter's continued to grow income and usage, especially through the 'Swim Academy'. Group Fitness classes continue to grow in popularity and the programme evolves to keep pace with demand and new initiatives that are becoming available.

Towneley Golf increased its membership base and the shop had a refit and established a retail relationship with Adidas who became sole suppliers of clothing and accessories.

Prairie Sports Village added another 3G pitch to its facilities and can now offer two fantastic pitches for training and competitive matches. Both pitches are fully booked at evenings and weekends and staff continue to find ways to increase day-time usage. Usage of the driving range is still high, but plans are being drawn up to add further features to the range to drive new and existing customers through the venue.

Development

Development had another packed year with Holiday Clubs, Schools work and Rounders. The boats at Thompson Park were another big hit this year, as well as a number of organised runs.

Funding for Up and Active ended and a number of the team took the opportunity to move onto pastures new. We cannot let the moment pass without saying thank you to Linda Searle our Head of Healthy Lifestyles who retired after 40 years' service to the Council and more lately Burnley Leisure, she has been a true inspiration to all of her colleagues, and we wish her well in her well-deserved retirement.

Although funding was withdrawn, we have pulled together alternative funding from CCG, Lancashire County Council and Sport England to continue this vital work to engage people with health, fitness and wellbeing issues and introduce them into activities. All of this work is alongside our participation in the Pennine Lancashire 'Together an Active Future' project, which will allow us to explore new ways of helping hard to reach groups to become active.

Mechanics

The Mechanics once again played host to a variety of local amateur and professional productions and high proportion of these were to full houses.

An application was submitted to the Heritage Lottery Fund to secure the external features of the Grade 2* listed building including improvements to the façade and roof. The work would also see the toilets having major refurbishment and the basement being brought back into full use and working with Burnley College as tenants seeing education returning to the venue which was its original use when it was constructed. We hope to hear during 2020/21 if the application has been successful and move to the next stage.

Some work will be required to the stage lighting and desk over the next 12 months, we have asked the Council to provide a repayable loan to enable this work to be completed.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Hospitality

Christmas Parties at the Mechanics were again a massive success with a run of sell-out events, which resulted in the Christmas Party events for 2020 being sold out before the end of March. The demand for these events shows how they are received by the public and how professional they are put together. The Christmas events at Prairie are growing each year and offer an alternative to the Mechanics.

The partnership with Simply Classic at both Prairie and Mechanics is a little strained and we will need to review how we operate this during the next 12 months. Usage at both venues is good, but we feel that this could be increased by changing some of the opening days which we feel is demanded by customers. We have started to draw up plans for a refurbishment of the dining area at Prairie and hope to make progress during 2020/21.

We welcomed a new partner to our operation at Towneley Golf Club. Bistro 197 moved their operation across the road and took up the offer to run the food side of the business, whilst we ran the wet sales in a similar partnership to the one we operate with Simply.

Our tender to run the Stables Café in Towneley Park is progressing, we are in the process of making final submissions and are awaiting the outcome of the process.

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.

The Future

The impact of Covid-19 and the subsequent lockdown of leisure facilities has seen Burnley Leisure suffer virtually total income loss from customers. In addition, it is almost certain that re-opening will need to be gradual and with reduced capacities for an extended period in order to satisfy social distancing regulations. It is proposed that Burnley Leisure's irrecoverable losses be underwritten from both our own Reserves and Council Reserves (which are also Burnley Leisure reserves, as the Trust was not set up with any reserves as access to Council reserves would be given), in order to allow Burnley Leisure to be able to re-open facilities in line with guidance and protect both jobs and the services offered to the people of Burnley.

Burnley Leisure has also supported the response to Covid-19 and worked closely with Burnley Together to re-deploy some staff into critical services to support the Covid-19 response effort. This work has continued, and we are playing a major role in the DEFRA funded summer holiday food project, alongside Calico who see us as a major partner.

We are facing a potential in year cashflow shortfall of £312,000 which may require a financial contribution from the Council. This will be partially met by not charging the Leisure Trust the annual SLA of £257,000. The Government has recently announced a £100m package that would be available for outsourced leisure providers to submit funding bids to recover lost income and additional spending pressures that have arisen due to the coronavirus pandemic. If successful, this may bridge any funding shortfall the Leisure Trust may have. However, to be clear, any additional financial contribution from the Council would only be made if Burnley Leisure were unable to balance its budget through its own endeavours and as the Council set up the trust with no reserves it has some obligation to provide support and this would require approval from Members.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

The Future (Continued)

Fees are the major source of income for us however this income could not be collected during the period that our various facilities were mandated to close at a loss so far projected at £2.75 million. Like many other leisure trusts across the country we are facing significant financial challenges due the pandemic. The estimated in-year shortfall for Burnley Leisure is a current forecast incorporating the opening of leisure centres in accordance with government guidelines and the ability to earn income. Burnley Leisure has already undertaken a range of measures to help mitigate the significant loss of income and through use of the Job Retention Scheme, Government Business Grants and the Cultural Recovery Fund have generated around £1 million to offset losses. They will continue to make best use of these and other opportunities when they arise.

Failure of the Council to support us in this challenging time leaves us vulnerable and with the likelihood that some sites and services may have to close, and possibly even lead to the demise of Burnley Leisure. This would have serious consequences to both the Council, who may have to pick up a number of liabilities, and for the public, with the loss of the major operator of leisure facilities (and the health and social consequences thereof). In particular, Burnley Leisure is the main provider of swimming pools in Burnley, and the prolonged closure of these would have a knock-on impact on the ability for schools to meet statutory school swimming obligations as well as meeting the swimming needs of the wider population. Through continuing to work together we are confident that we can produce a balanced outcome for 2020/21 and rise to the challenge of maintaining facilities and services in 2021/22.

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 £257,234 and restricted reserves of £183,918. In addition to these reserves the pension scheme was in deficit by £3,243,000.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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:

**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 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2020 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.

Material uncertainty related to going concern

We draw attention to the Report of the Trustees, Accounting Policies and Note 21, which all highlight the impact which Covid-19 has had on the charity and its expectations for the future. The Trustees have concluded that the charity is a going concern, however these events mean a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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:

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total Funds £
INCOME					
Income from charitable activities					
Grant income	2	15,004	557,512	572,516	627,303
Operation of leisure and arts facilities	3	<u>3,917,811</u>	<u>19,077</u>	<u>3,936,888</u>	<u>3,859,120</u>
Total income		3,932,815	576,589	4,509,404	4,486,423
EXPENDITURE					
Raising funds	4	399,420	-	399,420	386,422
Charitable activities					
Operation of leisure and arts facilities	5	3,592,319	591,110	4,183,429	3,979,827
Other					
Balance of pension scheme operating charge	19	584,000	-	584,000	333,000
Net interest on pension scheme liability	19	<u>66,000</u>	<u>-</u>	<u>66,000</u>	<u>53,000</u>
Total expenditure		4,641,739	591,110	5,232,849	4,752,249
NET EXPENDITURE		(708,924)	(14,521)	(723,445)	(265,826)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	19	<u>54,000</u>	<u>-</u>	<u>54,000</u>	<u>(151,000)</u>
NET MOVEMENT IN FUNDS		(654,924)	(14,521)	(669,445)	(416,826)
RECONCILIATION OF FUNDS					
Total funds brought forward		(2,330,842)	198,439	(2,132,403)	(1,715,577)
TOTAL FUNDS CARRIED FORWARD		<u>(2,985,766)</u>	<u>183,918</u>	<u>(2,801,848)</u>	<u>(2,132,403)</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 2020

	Notes	31.3.20 £	31.3.19 £
FIXED ASSETS			
Tangible assets	10	-	10,000
Investments	11	<u>2</u>	<u>2</u>
		2	20,002
CURRENT ASSETS			
Stock	12	65,630	61,302
Debtors	13	84,076	178,082
Cash at bank and in hand		<u>732,799</u>	<u>766,161</u>
		882,505	1,005,545
CURRENT LIABILITIES			
Amounts falling due within one year	14	<u>(441,355)</u>	<u>(500,950)</u>
NET CURRENT ASSETS		<u>441,150</u>	<u>504,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>441,152</u>	<u>514,597</u>
NET ASSETS EXCLUDING PENSION DEFICIT		<u>441,152</u>	<u>514,597</u>
PENSION SCHEME DEFICIT	19	<u>(3,243,000)</u>	<u>(2,647,000)</u>
NET LIABILITIES INCLUDING PENSION DEFICIT		<u><u>(2,801,848)</u></u>	<u><u>(2,132,403)</u></u>
FUNDS			
Unrestricted funds	17	257,234	316,158
Restricted funds	18	183,918	198,439
Pension scheme deficit		<u>(3,243,000)</u>	<u>(2,647,000)</u>
TOTAL FUNDS		<u><u>(2,801,848)</u></u>	<u><u>(2,132,403)</u></u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2020

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 _____ 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 2020

	Notes	31.3.20 £	31.3.19 £
Cash flows from charitable activities			
Cash generated from activities	1	<u>(33,362)</u>	<u>243,666</u>
Net cash from charitable activities		<u>(33,362)</u>	<u>243,666</u>
Cash flows from financing activities			
Capital repayments in the year		<u>-</u>	<u>(20,000)</u>
Net cash from financing activities		<u>-</u>	<u>(20,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>(33,362)</u>	<u>223,666</u>
Cash and cash equivalents at the beginning of the year	2	<u>766,161</u>	<u>542,495</u>
Cash and cash equivalents at the end of the year	2	<u><u>732,799</u></u>	<u><u>766,161</u></u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.20	31.3.19
	£	£
Deficit for the year	(669,445)	(416,826)
Depreciation charges	10,000	10,000
	(659,445)	(406,826)
Increase in stocks	(4,328)	(13,168)
Decrease/(increase) in trade and other debtors	94,006	(5,778)
Decrease/(increase) in trade and other creditors	(59,595)	132,438
Increase in pension scheme liability	596,000	537,000
	(33,362)	243,666
Cash generated from charitable activities	(33,362)	243,666

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 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	732,799	766,161

Year ended 31st March 2019

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

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. The related party, Burnley Borough Council, have not given formal support to the charity, however they have continued the provision of grant support and continued support of the charity in its cash flow requirements. Furthermore, the charity has been able to access additional grant funding made available due to the Covid-19 pandemic. Accordingly, the trustees have concluded that it is appropriate for these financial statements to be prepared on the going concern basis.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Tangible fixed assets and depreciation

Fixtures and Fittings - 20% on cost

The financial statements do not include the cost of land, buildings and equipment used at nominal rent by Burnley Leisure Trust, whose title rests with Burnley Borough Council. It is not practicably possible to attribute a value to this benefit.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

The charity participates in a defined benefit scheme. Although the scheme is a multi-employer scheme it is possible to allocate a share of the assets and liabilities to the charity and hence contributions are accounted for as a defined benefit scheme in accordance with FRS 102.

Stock is valued at the lower of cost and net realisable value, after making due allowances for slow and obsolete items.

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

Short term debtors are measured at transaction price, less any impairment.

Short term creditors are measured at transaction price.

Preparation of the financial statements requires management to make significant judgements and estimates. The major item in the financial statements where these judgements and estimates must be made is in relation to the pension scheme. Management consult with experts to provide appropriate assumptions on which to calculate projected funding position for the scheme.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

2. GRANT INCOME

	31.3.20	31.3.19
	£	£
LCC Public Health	411,160	374,920
Sponsorship	67,292	25,431
Burnley, Pendle and Rossendale CVS	18,090	63,880
Arts Council England	28,251	24,955
Partner contributions	17,382	6,642
Stocks Massey	9,000	6,000
Up & active	8,340	12,105
Sport England	5,000	25,370
Mechanics Heritage	5,000	25,000
Curious Minds	3,000	8,000
Blackburn with Darwen	-	30,000
Big Lottery	-	20,000
Lancashire County Council	-	5,000
Total	<u>572,515</u>	<u>583,125</u>

In 2019, of the total grant income, £583,125 was restricted and £44,178 was unrestricted funds.

3. CHARITABLE ACTIVITIES – OPERATION OF FACILITIES

	31.3.20	31.3.19
	£	£
Burnley Borough Council annual contract fee	449,078	443,664
Income from the operation of leisure and arts facilities	<u>3,487,810</u>	<u>3,415,456</u>
	<u>3,936,888</u>	<u>3,859,120</u>

In 2019, of the total charitable activities income, £nil was restricted and £3,859,120 was unrestricted funds.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

4. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 31.3.20 £	Total 31.3.19 £
Staff costs and allowances	236,446	-	236,446	222,409
Premises expenses	11,627	-	11,627	9,757
Services and supplies	107,102	-	107,102	97,988
Transport expenses	1,471	-	1,471	1,616
Agency and contracted services	17,087	-	17,087	29,558
Business and technical support (see note 6)	25,687	-	25,687	25,094
	<u>399,420</u>	<u>-</u>	<u>399,420</u>	<u>386,422</u>

In 2019, of the total costs raising funds, £nil was restricted and £386,422 was unrestricted funds.

5. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 31.3.20 £	Total 31.3.19 £
Staff costs and allowances	2,119,701	494,150	2,613,851	2,402,190
Premises expenses	104,647	12,378	117,025	97,418
Supplies and services	963,918	31,701	995,619	912,588
Transport expenses	13,236	4,576	17,812	17,773
Agency and contracted services	153,784	33,305	187,089	296,055
Business and technical support (see note 6)	231,183	15,000	246,183	247,953
Governance costs (see note 6)	5,850	-	5,850	5,850
	<u>3,592,319</u>	<u>591,110</u>	<u>4,183,429</u>	<u>3,979,827</u>

In 2019, of the total costs of charitable activities, £496,176 was restricted and £3,483,651 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 £	31.3.20 Total funds £	31.3.19 Total Funds £
Business and technical support	256,870	15,000	271,870	273,047
Audit services	5,000	-	5,000	5,000
Non-audit services	850	-	850	850
	<u>262,720</u>	<u>15,000</u>	<u>277,720</u>	<u>278,897</u>

In 2019, of the total governance and support costs, £22,105 was restricted and £256,792 was unrestricted funds.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

7. NET OUTGOING RESOURCES

Net resources are stated after charging:

	31.3.20	31.3.19
	£	£
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 £49,365 (2019: £76,802) 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 2020 nor for the year ended 31st March 2019.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2020 nor for the year ended 31st March 2019.

9. STAFF COSTS

	31.3.20	31.3.19
	£	£
Wages and salaries	2,345,936	2,226,752
Social security costs	163,423	152,333
Other pension costs	<u>219,507</u>	<u>208,837</u>
	<u>2,728,866</u>	<u>2,587,922</u>

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

	31.3.20	31.3.19
Employees	<u>165</u>	<u>160</u>

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

	31.3.20	31.3.19
£60,001 - £70,000	<u>1</u>	<u>1</u>

The above staff member participated in the defined benefit pension scheme. Contributions of £7,472 (2019: £7,325) 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 2020

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1st April 2019	50,000
Additions	-
At 31st March 2020	<u>50,000</u>
DEPRECIATION	
At 1st April 2019	40,000
Charge for year	10,000
At 31st March 2020	<u>50,000</u>
NET BOOK VALUE	
At 31st March 2020	<u>-</u>
At 31st March 2019	<u>10,000</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

	31.3.20 £	31.3.19 £
Leisure centre stock	4,732	7,384
Townley golf stock	15,377	10,399
Bar and catering	<u>45,521</u>	<u>43,519</u>
	<u>65,630</u>	<u>61,302</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £
Trade debtors	67,557	115,965
Prepayments and accrued income	14,892	11,957
Other debtors	<u>1,627</u>	<u>50,160</u>
	<u>84,076</u>	<u>178,082</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 2020

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade creditors	206,484	176,235
Taxation and social security	12,252	91,608
Accruals and deferred income	<u>222,619</u>	<u>233,107</u>
	<u>441,355</u>	<u>500,950</u>

15. OPERATING LEASE COMMITMENTS

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

	31.3.20	31.3.19
	£	£
Expiry date:		
Within 1 year	21,047	23,253
Between one and five years	<u>53,208</u>	<u>73,223</u>
	<u>74,255</u>	<u>96,476</u>

16. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted	Restricted	31.3.20	31.3.19
	funds	funds	Total	Total
	£	£	£	£
Fixed assets	2	-	2	10,002
Current assets	698,587	183,918	882,505	1,005,545
Current liabilities	(441,355)	-	(441,355)	(500,950)
Pension scheme deficit	<u>(3,243,000)</u>	<u>-</u>	<u>(3,243,000)</u>	<u>(2,647,000)</u>
	<u>(2,985,766)</u>	<u>183,918</u>	<u>(2,801,848)</u>	<u>(2,132,403)</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

17. UNRESTRICTED FUNDS

	Pension deficit £	General funds £	Designated funds £	Total funds £
Balance at 1 st April 2019	(2,647,000)	241,158	75,000	(2,330,842)
Net income / (expenditure)	(596,000)	(43,324)	(15,600)	(654,924)
	<u>(3,243,000)</u>	<u>197,834</u>	<u>59,400</u>	<u>(2,985,766)</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.

18. RESTRICTED FUNDS

	At 1st April 2019 £	Incoming resources £	Outgoing resources £	At 31st March 2020 £
Project fund				
Active streets – Big Lottery	82,282	88,997	90,900	80,379
Arts development	35,000	-	10,000	25,000
Awards for All	8,053	-	-	8,053
Curious Minds	10,755	39,540	35,474	14,821
Cycling project	12,248	-	1,768	10,480
MAPS	9,476	2,998	6,289	6,185
Mechanics	-	10,000	10,000	-
Boat House	-	5,000	-	5,000
Summer School	-	1,885	1,885	-
Up and active	40,625	428,169	434,794	34,000
	<u>198,439</u>	<u>576,589</u>	<u>591,110</u>	<u>183,918</u>

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

19. 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 £219,507 (2019: £208,837) were paid to the scheme.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

19. PENSION ARRANGEMENTS (CONTINUED)

The following calculations as at 31st March 2020 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:

	31.3.20	31.3.19
	%	%
Rate of CPI inflation	2.10	2.20
Rate of increase in salaries	3.60	3.70
Rate of increase in pensions	2.20	2.30
Discount rate	2.30	2.50
Life expectancy of a male future pensioner aged 65 in 20 years' time	23.80	25.10
Life expectancy of a female future pensioner aged 65 in 20 years' time	27.30	28.20
Life expectancy of a male current pensioner aged 65	22.30	22.80
Life expectancy of a female current pensioner aged 65	25.50	25.50

The amounts recognised in the balance sheet are as follows:

	31.3.20	31.3.19
	£	£
Present value of funded obligations	(11,631,000)	(10,329,000)
Fair value of plan assets	8,388,000	7,682,000
Net pension deficit	<u>(3,243,000)</u>	<u>(2,647,000)</u>

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.20	31.3.19
	£	£
Operating charge		
Current service cost	627,000	528,000
Past service cost	162,000	-
Curtailments	7,000	-
Administration expenses	11,000	9,000
Total operating charge	<u>807,000</u>	<u>537,000</u>

	31.3.20	31.3.19
	£	£
Other finance costs		
Expected return on pension scheme assets	(196,000)	(184,000)
Interest on pension scheme liabilities	262,000	237,000
Net charge	<u>66,000</u>	<u>53,000</u>

	31.3.20	31.3.19
	£	£
Total charge to resources expended in Statement of Financial Activities	<u>873,000</u>	<u>590,000</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

19. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.20	31.3.19
	£	£
Actuarial gains on assets	224,000	592,000
Actuarial losses on liabilities	(170,000)	(743,000)
Actuarial gain / (loss) recognised	<u>54,000</u>	<u>(151,000)</u>

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

	31.3.20	31.3.19
	£	£
Opening defined benefit obligation	10,329,000	8,792,000
Current service cost	627,000	528,000
Past service cost	162,000	-
Curtailments	7,000	-
Interest on pension scheme liabilities	262,000	237,000
Employee contributions	115,000	107,000
Actuarial losses	170,000	743,000
Benefits paid / transfers	(41,000)	(78,000)
Closing defined benefit obligations	<u>11,631,000</u>	<u>10,329,000</u>

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

	31.3.20	31.3.19
	£	£
Opening fair value of plan assets	7,682,000	6,682,000
Expected return on plan assets	196,000	184,000
Actuarial gains	224,000	592,000
Employer contributions	223,000	204,000
Employee contributions	115,000	107,000
Administration expenses	(11,000)	(9,000)
Benefits paid / transfers	(41,000)	(78,000)
Closing fair value of plan assets	<u>8,388,000</u>	<u>7,682,000</u>

The split of assets between investment categories is as follows:

	2020	2020	2019	2019
	£	%	£	%
Equities	4,445,000	53.00	3,389,000	44.10
Government bonds	-	-	269,000	3.50
Other bonds	210,000	2.50	92,000	1.20
Property	713,000	8.50	714,000	9.30
Cash/liquidity	235,000	2.80	38,000	0.50
Other	<u>2,785,000</u>	<u>33.20</u>	<u>3,180,000</u>	<u>41.40</u>
	<u>8,388,000</u>	<u>100.00</u>	<u>7,682,000</u>	<u>100.00</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

19. PENSION ARRANGEMENTS (CONTINUED)

Amounts for the current and previous periods are as follows:

	2020	2019	2018
	£	£	£
Defined benefit obligation	(11,631,000)	(10,329,000)	(8,792,000)
Plan assets	<u>8,388,000</u>	<u>7,682,000</u>	<u>6,682,000</u>
	<u>3,243,000</u>	<u>(2,647,000)</u>	<u>(2,110,000)</u>

A full actuarial review of the scheme was undertaken as at 31st March 2020.

Following the full actuarial valuation at 31st March 2020, employer contributions were agreed to stay at a rate of 16.90% with effect from 1st April 2020.

The current estimate of employer contributions for the year ended 31st March 2021 is £293,000. Implied service cost is estimated at £619,000 and a net interest and administration cost at £82,000 resulting in the deficit increasing by an estimated £408,000 to £3,651,000.

20. 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 £449,078 (2019: £443,664).

Burnley Borough Council also provides professional services to the charity under a service agreement which amounted to £252,720 (2019: £246,793) in the period.

During the year sales of £22,066 (2019: £40,084) were charged to and expenditure of £16,604 (2019: £30,357) was charged by Burnley Borough Council.

During the year the charity received income of £18,990 (2019: £63,880) from Burnley Pendle and Rossendale Council for Voluntary Services, a related party that shares a Trustee with Burnley Leisure. In addition, the charity incurred £5,888 in costs from this related party.

During the year the charity received income of £617 (2019: £Nil) from Burnley Youth Theatre, a related party that shares a Trustee with Burnley Leisure. In addition, the charity incurred £1,455 in costs from this related party.

21. 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 2020 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 2021.
- g) The details included in the Report of the Trustees which sets out the impact Coronavirus has had on the charity.

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