

REGISTERED COMPANY NUMBER: 08737838 (England and Wales)  
REGISTERED CHARITY NUMBER: 01158520

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021  
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 2021**

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST MARCH 2021**

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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 31<sup>st</sup> March 2021. 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 1<sup>st</sup> 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  
Dr S Minten  
Mr T Hephrun  
Mrs J Baldwin  
Mrs D Livesey  
Mr W Rashid  
Mr N Tranmer  
Mrs B Foster (Appointed 2<sup>nd</sup> September 2020)  
Cllr H Baker  
Cllr A Newhouse (Resigned 28<sup>th</sup> May 2020)  
Mrs H Tyson

**Role**

Chairman

**Key Management Personnel**

Mr G Vinton  
Mr P Foster  
Mr M Dempsey  
Mr S Bryce

**Role**

Chief Executive  
Deputy Chief Executive / Head of Development  
Head of Hospitality  
Head of Leisure Operations

**Auditors**

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

**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 2021**

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**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 ten 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 2021**

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**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 2021**

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**ACHIEVEMENTS AND PERFORMANCE**

2020/21 will be remembered as the year that the whole world was turned upside down and it seemed that nothing would be the same again. The effect on us was massive and the highs and lows throughout this time were off the scale. To make sense, this narrative is broken down into four quarters and a paragraph showing the amazing work our team did with Burnley Together as a major strategic partner.

*April to June 2020 – First Lockdown*

Along with everyone else this was our first experience of lockdown; we had no concept of how long this would be for, and we naively thought that we'd be back open and operating in a matter of weeks. As we know it quickly became apparent that this was worse than we had all anticipated. Our income stopped overnight, and all expenditure stopped apart from staffing costs, our early predications were that the money would run out by September and that something needed to happen. Fortunately, the Job Retention Scheme (Furlough) came to the rescue and all staff were put onto it apart from a small core team to keep the business afloat, staff responded immediately and volunteered with Burnley Together to deliver food, medicines, etc. to the people of Burnley.

*July to September 2020 – Re-opening?*

Full lockdown ended but many restrictions stayed in place which placed barriers in terms of people returning to our facilities and services. The change to a flexible Job Retention Scheme assisted, but costs began to rise with very little income coming in through the doors. The Council were in the same position and could not therefore commit to supporting the Trust. Looking back this was the darkest period and the time where our continued existence was in doubt. For a period, we started to look at the real possibility of insolvency by the end of 2020. Staff returned to some of the health and wellbeing services and contacted clients over the phone, whilst staff at the Mechanics were busily re-arranging shows two or three times due to the continued restrictions meaning the Theatre would have to remain closed for the foreseeable future.

*October to December – Second Lockdown*

Things started to pick up usage was increasing but income was still low due to restrictions and the Tier system meant that Burnley and much of the North-West were in the tightest restrictions. Our application to the Cultural Recovery Fund from the Arts Council was successful and this meant that the future for the Mechanics was secured until the end of March 2021. Changes within the Council meant that support was now secured and that access to central Government grants was streamlined, and this became a regular source of income. Then in November 2020 a second month long lockdown was implemented, this ended our small recovery and staff were immediately returned to furlough. Although we re-opened in December, we did so with further restrictions and kept most staff on furlough. The news before Christmas that a further lockdown would happen in the new year ended any thoughts of a recovery in the early part of 2021.

*January to March 2021 – Third Lockdown*

We entered the new the new year again under lockdown with all staff on flexible furlough apart from staff at the Mechanics who were funded through the Cultural Recovery Fund. In conjunction with the Council, we made an application to the National Leisure Recovery Fund administrated by Sport England, again we were successful and thankfully have been able to move the full amount into the 2021/22 financial year to offset anticipated deficits as we try to recover the business. During this period, we again had no facilities open and no revenue coming in apart from Job Retention Scheme, Government Grants and Grants from previous applications however, we continued to survive and began to position ourselves for the challenges ahead.

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST MARCH 2021**

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

The commitment of the Trustees to the staff of the Trust was outstanding throughout the year, they authorised full pay to all contracted staff including pension and national insurance contributions and ensured that casual staff received the full 80% we were able to claim under the Job Retention Scheme. Good stewardship of the finances ensured that all payments were made to HMRC and that no loans were entered into to keep the business afloat. The Council supported us by not taking payment for the Service Level agreement as we used little during the year and they could claim 75% back from Government as loss of income. The partnership improved during the year, but work will need to continue to strengthen and refresh the relationship.

On a positive note, the downtime from constant operations offered us a period of reflection and review. We looked at all parts of our business including staffing structures, programmes, partnerships, etc. and started to implement changes to make us more sustainable going forward. This has included a partnership with Blackburn with Darwen Council to programme the Mechanics and taking over the business of Bistro 197 and integrating into our hospitality business. We also created a wish list of refurbishments and new equipment to purchase to invest in our business if funding allowed. This has resulted in refurbished toilets at the Mechanics, a new layout at the 1955 Kitchen and Bar at Prairie Sports Village and new signage and uniform with our new logo's.

Our work with Burnley Together showed our commitment to our local community. Our furloughed staff joined as volunteers and delivered food parcels, medicines and at Christmas presents, for children, teenagers and adults with some presents unwrapped so that parents could still have the joy of wrapping them (we did supply the paper and sticky tape). We produced hundreds of hours of fitness workouts and cooking demonstrations and put them online for the whole community to use not just our members and as already highlighted opened our facilities as soon as we could to get people back and active. We look forward to developing the partnership further over the coming years.

Although the financial figures tell a story the impact on usage is even more stark. In 2019/20 the Mechanics welcomed over 35,000 people to shows in 2020/21 this reduced to zero, Christmas Party nights had attendance of 1800 people in 2019/20 again in 2020/21 this was zero. Fitness Memberships had just hit the highest ever in February 2020 of 4,034 by March the following year this had dropped to 2,518 and of this number nobody was paying.

This is a journey that no-one will want to repeat, but it has brought all staff from all sections of the organisation closer together. Staff have felt valued and have returned our commitment to them with a renewed commitment back to the Company. The coming year will be about recovery, but also a renewed purpose and vigour. 2021/22 will continue to be difficult and challenging but we will continue to meet the challenge and put Burnley Leisure and Culture back where it belongs.

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST MARCH 2021**

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**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 £435,993 and restricted reserves of £372,825. In addition to these reserves the pension scheme was in deficit by £4,919,000.



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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST MARCH 2021**

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**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: 6<sup>th</sup> September 2021

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

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**Opinion**

We have audited the financial statements of Burnley Leisure (the 'charity') for the year ended 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021 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)**

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**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 seven, 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.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having made enquiries of management about their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

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

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We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements, but compliance with which may be fundamental to the company's ability to operate.

Audit response to risks identified

As a result of performing the above our procedures to respond to the risks identified included the following:

- reviewing the financial statements disclosure and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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](http://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: 6<sup>th</sup> September 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total Funds £
<b>INCOME</b>					
<b>Income from charitable activities</b>					
Grant income	2	1,734,026	413,865	2,147,891	572,516
Operation of leisure and arts facilities	3	<u>1,630,717</u>	<u>20,377</u>	<u>1,651,094</u>	<u>3,936,888</u>
<b>Total income</b>		<b>3,364,743</b>	<b>434,242</b>	<b>3,798,985</b>	<b>4,509,404</b>
<b>EXPENDITURE</b>					
<b>Raising funds</b>	4	<b>317,810</b>	-	<b>317,810</b>	399,420
<b>Charitable activities</b>					
Operation of leisure and arts facilities	5	2,868,174	245,335	3,113,509	4,183,429
<b>Other</b>					
Balance of pension scheme operating charge	19	312,000	-	312,000	584,000
Net interest on pension scheme liability	19	<u>71,000</u>	<u>-</u>	<u>71,000</u>	<u>66,000</u>
<b>Total expenditure</b>		<b>3,568,984</b>	<b>245,335</b>	<b>3,814,319</b>	<b>5,232,849</b>
<b>NET EXPENDITURE</b>		<b>(204,241)</b>	<b>188,907</b>	<b>(15,334)</b>	<b>(723,445)</b>
<b>Other recognised gains and losses</b>					
Pension scheme actuarial (loss)/gain	19	<u>(1,293,000)</u>	<u>-</u>	<u>(1,293,000)</u>	<u>54,000</u>
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,497,241)</b>	<b>188,907</b>	<b>(1,308,334)</b>	<b>(669,445)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>(2,985,766)</b>	<b>183,918</b>	<b>(2,801,848)</b>	<b>(2,132,403)</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>(4,483,007)</u></b>	<b><u>372,825</u></b>	<b><u>(4,110,182)</u></b>	<b><u>(2,801,848)</u></b>

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

All income and expenditure are derived from continuing activities.

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

**BALANCE SHEET  
AT 31ST MARCH 2021**

	Notes	31.3.21 £	31.3.20 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	-
Investments	11	-	2
		-	2
<b>CURRENT ASSETS</b>			
Stock	12	76,361	65,630
Debtors	13	256,571	84,076
Cash at bank and in hand		875,415	732,799
		1,208,347	882,505
<b>CURRENT LIABILITIES</b>			
Amounts falling due within one year	14	(399,529)	(441,355)
		808,818	441,150
<b>NET CURRENT ASSETS</b>			
		808,818	441,152
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		808,818	441,152
<b>NET ASSETS EXCLUDING PENSION DEFICIT</b>			
		(4,919,000)	(3,243,000)
<b>PENSION SCHEME DEFICIT</b>	19		
		(4,110,182)	(2,801,848)
<b>NET LIABILITIES INCLUDING PENSION DEFICIT</b>			
<b>FUNDS</b>			
Unrestricted funds	17	435,993	257,234
Restricted funds	18	372,825	183,918
Pension scheme deficit		(4,919,000)	(3,243,000)
<b>TOTAL FUNDS</b>		(4,110,182)	(2,801,848)

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

**BALANCE SHEET  
FOR THE YEAR ENDED 31ST MARCH 2021**

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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 1<sup>st</sup> January 2015).

The financial statements were approved by the Board of Trustees on 6<sup>th</sup> September 2021 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 2021**

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	Notes	31.3.21 £	31.3.20 £
<b>Cash flows from charitable activities</b>			
Cash generated from activities	1	<u>142,616</u>	<u>(33,362)</u>
Net cash from charitable activities		<u>142,616</u>	<u>(33,362)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in the year		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>142,616</u>	<u>(33,362)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	2	<u>732,799</u>	<u>766,161</u>
<b>Cash and cash equivalents at the end of the year</b>	2	<u>875,415</u>	<u>732,799</u>



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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2021**

**1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES**

	<b>31.3.21</b>	31.3.20
	<b>£</b>	£
Deficit for the year	<b>(1,308,334)</b>	(669,445)
Depreciation charges	-	10,000
Loss of disposal of investment assets	<b>2</b>	-
	<b>(1,308,332)</b>	(659,445)
Increase in stocks	<b>(10,731)</b>	(4,328)
Decrease/(increase) in trade and other debtors	<b>(172,495)</b>	94,006
(Decrease)/increase in trade and other creditors	<b>(41,826)</b>	(59,595)
Increase in pension scheme liability	<b>1,676,000</b>	596,000
<b>Cash generated from charitable activities</b>	<b>142,616</b>	<b>(33,362)</b>

**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 31<sup>st</sup> March 2021**

	<b>31.3.21</b>	<b>1.4.20</b>
	<b>£</b>	£
Cash and cash equivalents	<b>875,415</b>	<b>732,799</b>

**Year ended 31<sup>st</sup> March 2020**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2021**

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**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 confirmed their support to the charity by the offer of financial support in the following financial year. They have continued the provision of grant support and continued support of the charity in its cash flow requirements. Accordingly, the trustees have concluded that it is appropriate for these financial statements to be prepared on the going concern basis.

**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 1<sup>st</sup> 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 resources. 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 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets and depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and Fittings - 20% on cost

**Fixed assets**

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.

**Fund accounting**

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.

**Pension costs and other post-retirement benefits**

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**

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

**Leasing**

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

**Debtors**

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

**Creditors**

Short term creditors are measured at transaction price.

**Significant judgements and estimates**

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. Details of the assumptions within the calculations to derive the net value of the pension fund are shown within note 19.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2021**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Significant judgements and estimates (continued)**

Since February 2020 there has been substantial volatility in financial markets around the world in relation to the COVID-19 pandemic, and while this has reduced in recent months, the potential for further volatility remains. This may have consequences for asset values, and this will be reflected in the 2020/21 accounting figures. Over the same period, the market volatility has also extended to corporate bonds, and after an initial spike we have seen the yields on AA-rated corporate bonds reduce from previous levels. As the discount rate for accounting purposes is based on corporate bond yields, this will also impact on accounting liabilities. Finally, there has been an impact on market-implied RPI over the period, although this will in part be related to the consultation on RPI reform and demand for gilts, rather than any fundamental shift in expectations.

**2. GRANT INCOME**

	<b>31.3.21</b>	31.3.20
	£	£
Job Retention Scheme Grant	<b>1,079,445</b>	-
Arts Council England	<b>336,600</b>	28,252
Burnley Borough Council	<b>256,987</b>	-
Local Authority COVID Grants	<b>250,381</b>	-
Sport England	<b>96,974</b>	5,000
Burnley, Pendle and Rossendale CVS	<b>47,500</b>	18,090
Clinical Commissioning Group	<b>30,000</b>	-
Lancashire County Council	<b>28,883</b>	-
Community Foundation	<b>8,000</b>	-
Canal and River Trust	<b>5,071</b>	-
Stocks Massey	<b>5,000</b>	9,000
Lancashire Care	<b>3,050</b>	-
LCC Public Health	-	411,160
Sponsorship	-	67,292
Partner contributions	-	17,382
Up & Active	-	8,340
Mechanics Heritage	-	5,000
Curious Minds	-	3,000
<b>Total</b>	<b><u>2,147,891</u></b>	<b><u>572,516</u></b>

In 2020, of the total grant income, £557,512 was restricted and £15,004 was unrestricted funds.

**3. CHARITABLE ACTIVITIES – OPERATION OF FACILITIES**

	<b>31.3.21</b>	31.3.20
	£	£
Burnley Borough Council annual contract fee	<b>529,634</b>	449,078
Income from the operation of leisure and arts facilities	<b><u>1,121,460</u></b>	<b><u>3,487,810</u></b>
	<b><u>1,651,094</u></b>	<b><u>3,936,888</u></b>

In 2020, of the total charitable activities income, £nil was restricted and £3,936,888 was unrestricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

**4. RAISING FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total 31.3.21 £	Total 31.3.20 £
Staff costs and allowances	218,798	-	218,798	236,446
Premises expenses	19,347	-	19,347	11,627
Services and supplies	52,383	-	52,383	107,102
Transport expenses	1,807	-	1,807	1,471
Agency and contracted services	-	-	-	17,087
Business and technical support (see note 6)	<u>25,475</u>	-	<u>25,475</u>	<u>25,687</u>
	<u>317,810</u>	-	<u>317,810</u>	<u>399,420</u>

In 2020, of the total costs raising funds, £nil was restricted and £399,420 was unrestricted funds.

**5. COSTS OF CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 31.3.21 £	Total 31.3.20 £
Staff costs and allowances	1,969,183	221,718	2,190,901	2,613,851
Premises expenses	174,122	1,136	175,258	117,025
Supplies and services	471,247	22,340	493,587	995,619
Transport expenses	16,260	141	16,401	17,812
Agency and contracted services	-	-	-	187,089
Business and technical support (see note 6)	231,512	-	231,512	246,183
Governance costs (see note 6)	<u>5,850</u>	-	<u>5,850</u>	<u>5,850</u>
	<u>2,868,174</u>	<u>245,335</u>	<u>3,113,509</u>	<u>4,183,429</u>

In 2020, of the total costs of charitable activities, £591,110 was restricted and £3,592,319 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 £	31.3.21 Total funds £	31.3.20 Total Funds £
Business and technical support	256,987	-	256,987	271,870
Audit services	5,000	-	5,000	5,000
Non-audit services	<u>850</u>	-	<u>850</u>	<u>850</u>
	<u>262,837</u>	-	<u>262,837</u>	<u>277,720</u>

In 2020, of the total governance and support costs, £15,000 was restricted and £262,720 was unrestricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

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**7. NET OUTGOING RESOURCES**

Net resources are stated after charging:

	<b>31.3.21</b>	31.3.20
	£	£
Auditors remuneration	<b>5,850</b>	5,850
Depreciation	<u>-</u>	<u>10,000</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

**Trustees' Remuneration**

During the year remuneration of £34,650 (2020: £49,365) was paid to one (2020: two) employee trustee, 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 31<sup>st</sup> March 2021 nor for the year ended 31<sup>st</sup> March 2020.

**Trustees' Expenses**

There were no trustees' expenses paid for the year ended 31<sup>st</sup> March 2021 nor for the year ended 31<sup>st</sup> March 2020.

**9. STAFF COSTS**

	<b>31.3.21</b>	31.3.20
	£	£
Wages and salaries	<b>1,980,568</b>	2,345,936
Social security costs	<b>142,311</b>	163,423
Other pension costs	<b>270,348</b>	219,507
	<u><b>2,393,227</b></u>	<u>2,728,866</u>

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

	<b>31.3.21</b>	31.3.20
Employees	<u><b>150</b></u>	<u>165</u>

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

	<b>31.3.21</b>	31.3.20
£60,001 - £70,000	<u><b>1</b></u>	<u>1</u>

The above staff member participated in the defined benefit pension scheme. Contributions of £10,325 (2020: £7,472) 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 2021**

**10. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>COST</b>	
At 1st April 2020	50,000
Additions	-
At 31st March 2021	<u>50,000</u>
<b>DEPRECIATION</b>	
At 1st April 2020	50,000
Charge for year	-
At 31st March 2021	<u>50,000</u>
<b>NET BOOK VALUE</b>	
At 31st March 2021	<u>-</u>
At 31st March 2020	<u>-</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

This company was dissolved on 22<sup>nd</sup> December 2020.

**12. STOCK**

	31.3.21	31.3.20
	£	£
Leisure centre stock	11,533	4,732
Townley golf stock	18,862	15,377
Bar and catering	<u>45,966</u>	<u>45,521</u>
	<u>76,361</u>	<u>65,630</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Trade debtors	249,552	67,557
Prepayments and accrued income	2,172	14,892
Other debtors	<u>4,847</u>	<u>1,627</u>
	<u>256,571</u>	<u>84,076</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2021**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.3.21</b>	31.3.20
	£	£
Trade creditors	185,608	206,484
Taxation and social security	-	12,252
Accruals and deferred income	<u>213,921</u>	<u>222,619</u>
	<u><b>399,529</b></u>	<u><b>441,355</b></u>

**15. OPERATING LEASE COMMITMENTS**

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

	<b>31.3.21</b>	31.3.20
	£	£
<b>Expiry date:</b>		
Within 1 year	21,319	21,047
Between one and five years	<u>34,186</u>	<u>53,208</u>
	<u><b>55,505</b></u>	<u><b>74,255</b></u>

**16. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total Funds £
Fixed assets	-	-	-	2
Current assets	835,522	372,825	1,208,347	882,505
Current liabilities	(399,529)	-	(399,529)	(441,355)
Pension scheme deficit	<u>(4,919,000)</u>	-	<u>(4,919,000)</u>	<u>(3,243,000)</u>
	<u><b>(4,483,007)</b></u>	<u><b>372,825</b></u>	<u><b>(4,110,182)</b></u>	<u><b>(2,801,848)</b></u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2021**

**17. UNRESTRICTED FUNDS**

	Pension deficit £	General funds £	Designated funds £	Total funds £
Balance at 1 <sup>st</sup> April 2020	(3,243,000)	197,834	59,400	(2,985,766)
Net income / (expenditure)	(1,676,000)	4,550	174,209	(1,497,241)
	<u>(4,919,000)</u>	<u>202,384</u>	<u>233,609</u>	<u>(4,483,007)</u>

**Purposes of designated funds**

The trustees have designated funds to assist in the future development of the charity and the upgrading of facilities.

**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 1 <sup>st</sup> April 2020 £	Incoming resources £	Outgoing resources £	At 31 <sup>st</sup> March 2021 £
<b>Project fund</b>				
Active Streets	80,379	83,366	74,509	89,236
Arts development	25,000	-	-	25,000
Awards for All	8,053	-	-	8,053
Beat the Street	-	15,000	-	15,000
Boat House	5,000	-	-	5,000
Curious Minds	14,821	-	14,821	-
Culture Recovery	-	144,888	-	144,888
Cycling project	10,480	(109)	-	10,371
Healthy Lifestyles	-	191,097	122,005	69,092
MAPS	6,185	-	-	6,185
Up & Active	34,000	-	34,000	-
	<u>183,918</u>	<u>434,242</u>	<u>245,335</u>	<u>372,825</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 £270,348 (2020: £219,507) were paid to the scheme.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

**19. PENSION ARRANGEMENTS (CONTINUED)**

The following calculations as at 31<sup>st</sup> March 2021 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:

	31.3.21	31.3.20
	%	%
Rate of CPI inflation	2.70	2.10
Rate of increase in salaries	4.20	3.60
Rate of increase in pensions	2.80	2.20
Discount rate	2.20	2.30
Life expectancy of a male future pensioner aged 65 in 20 years' time	23.90	23.80
Life expectancy of a female future pensioner aged 65 in 20 years' time	26.90	27.30
Life expectancy of a male current pensioner aged 65	22.40	22.30
Life expectancy of a female current pensioner aged 65	25.10	25.50

The amounts recognised in the balance sheet are as follows:

	31.3.21	31.3.20
	£	£
Present value of funded obligations	(14,454,000)	(11,631,000)
Fair value of plan assets	<u>9,535,000</u>	<u>8,388,000</u>
Net pension deficit	<u>(4,919,000)</u>	<u>(3,243,000)</u>

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.21	31.3.20
	£	£
<b>Operating charge</b>		
Current service cost	565,000	627,000
Past service cost	-	162,000
Curtailments	15,000	7,000
Administration expenses	<u>10,000</u>	<u>11,000</u>
Total operating charge	<u>590,000</u>	<u>807,000</u>
	31.3.21	31.3.20
	£	£
<b>Other finance costs</b>		
Expected return on pension scheme assets	(196,000)	(196,000)
Interest on pension scheme liabilities	<u>267,000</u>	<u>262,000</u>
Net charge	<u>71,000</u>	<u>66,000</u>
	31.3.21	31.3.20
	£	£
Total charge to resources expended in Statement of Financial Activities	<u>661,000</u>	<u>873,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

**19. PENSION ARRANGEMENTS (CONTINUED)**

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

	<b>31.3.21</b>	31.3.20
	<b>£</b>	£
Actuarial gains on assets	<b>731,000</b>	224,000
Actuarial losses on liabilities	<b>(2,024,000)</b>	(170,000)
Actuarial gain / (loss) recognised	<b><u>(1,293,000)</u></b>	<u>54,000</u>

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

	<b>31.3.21</b>	31.3.20
	<b>£</b>	£
Opening defined benefit obligation	<b>11,631,000</b>	10,329,000
Current service cost	<b>565,000</b>	627,000
Past service cost	-	162,000
Curtailments	<b>15,000</b>	7,000
Interest on pension scheme liabilities	<b>267,000</b>	262,000
Employee contributions	<b>106,000</b>	115,000
Actuarial losses	<b>2,024,000</b>	170,000
Benefits paid / transfers	<b>(154,000)</b>	(41,000)
Closing defined benefit obligations	<b><u>14,454,000</u></b>	<u>11,631,000</u>

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

	<b>31.3.21</b>	31.3.20
	<b>£</b>	£
Opening fair value of plan assets	<b>8,388,000</b>	7,682,000
Expected return on plan assets	<b>196,000</b>	196,000
Actuarial gains	<b>731,000</b>	224,000
Employer contributions	<b>278,000</b>	223,000
Employee contributions	<b>106,000</b>	115,000
Administration expenses	<b>(10,000)</b>	(11,000)
Benefits paid / transfers	<b>(154,000)</b>	(41,000)
Closing fair value of plan assets	<b><u>9,535,000</u></b>	<u>8,388,000</u>

The split of assets between investment categories is as follows:

	<b>2021</b>	<b>2021</b>	2020	2020
	<b>£</b>	<b>%</b>	£	%
Equities	<b>4,472,000</b>	<b>46.90</b>	4,445,000	53.00
Government bonds	-	-	-	-
Other bonds	-	-	210,000	2.50
Property	<b>1,354,000</b>	<b>14.20</b>	713,000	8.50
Cash/liquidity	<b>210,000</b>	<b>2.20</b>	235,000	2.80
Other	<b><u>3,499,000</u></b>	<b><u>36.70</u></b>	<u>2,785,000</u>	<u>33.20</u>
	<b><u>9,535,000</u></b>	<b><u>100.00</u></b>	<u>8,388,000</u>	<u>100.00</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

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**19. PENSION ARRANGEMENTS (CONTINUED)**

Amounts for the current and previous periods are as follows:

	2021	2020	2019
	£	£	£
Defined benefit obligation	<b>(14,454,000)</b>	(11,631,000)	(10,329,000)
Plan assets	<b><u>9,535,000</u></b>	<u>8,388,000</u>	<u>7,682,000</u>
(Deficit)/surplus	<b><u>(4,919,000)</u></b>	<u>(3,243,000)</u>	<u>(2,647,000)</u>

A interim actuarial review of the scheme was undertaken as at 31<sup>st</sup> March 2021.

Following the full actuarial valuation at 31<sup>st</sup> March 2021, employer contributions were agreed to stay at a rate of 15.60% with effect from 1<sup>st</sup> April 2021.

The current estimate of employer contributions for the year ended 31<sup>st</sup> March 2022 is £268,000. Implied service cost is estimated at £696,000 and a net interest and administration cost at £115,000 resulting in the deficit increasing by an estimated £543,000 to £5,462,000.

**20. RELATED PARTY TRANSACTIONS**

Under an agreement dated 25<sup>th</sup> March 2014, the charity acquired the use of the community arts and leisure facilities in the Burnley area from 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 Burnley Borough Council.

During the period, the charity received grant funding from Burnley Borough Council of £529,634 (2020: £449,078).

Burnley Borough Council also provides professional services to the charity under a service agreement which amounted to £nil (2020: £252,720) in the period. These services would have cost £256,987 but were provided free of charge in the financial year. This has been recognised as both income and an expense within the financial statements.

During the year sales of £91,580 (2020: £22,066) were charged to, and expenditure of £88,541 (2020: £16,604) was charged by, Burnley Borough Council.

During the year the charity received income of £47,500 (2020: £18,990) from Burnley Pendle and Rossendale Council for Voluntary Services, a related party that shares a trustee with Burnley Leisure. In addition, the charity incurred £1,863 (2020: £5,888) in costs from this related party.

During the year the charity received income of £nil (2020: £617) from Burnley Youth Theatre, a related party that shares a trustee with Burnley Leisure. In addition, the charity incurred £nil (2020: £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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2022.
- 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.