

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 2018
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 2018**

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

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 2018. 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
Miss M Grimes (Resigned 22nd January 2018)
Mr W Park (Resigned 22nd January 2018)
Mr T Hephrun
Mr M Heaton
Cllr A Raja
Cllr T Harrison (Resigned 10th July 2017)
Mrs J Baldwin
Mrs D Livesey
Mr W Rashid (Appointed 12th March 2018)
Mrs J Sharpley (Appointed 12th March 2018)
Cllr A Anwar (Appointed 21st May 2018)
Mr N Tranmer (Appointed 21st May 2018)
Mrs S Graham (Appointed on 16th October 2017 and resigned on 16th May 2018)

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 2018

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 2018**

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 trustees of Burnley Leisure are representatives within the Borough of Burnley and beyond. 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 2018**

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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

ACHIEVEMENTS AND PERFORMANCE

This year has been an extremely productive year for all parts of the charity. We have successfully managed to produce a surplus, which has increased our reserves and has allowed us to re-invest in some areas, which have been customer frustration points.

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

Leisure Facilities

Swimming Lesson Provision – Swimming lessons has been an area we previously highlighted as underperforming and we are pleased that after over two years of hard work, they are now performing strongly. We have also seen an increase in the need for 1-2-1 lessons which we can also charge a premium for.

- St Peter's 93% capacity with 431 swimmers.
- Padiham 90% capacity with 250 swimmers.
- Total 681 swimmers.

Towneley Golf Courses – The Autumn launch of our new golf packages went better than expected with a strong attendance of over 65 people at the launch and many signing up to new packages. We have continued to complete the improvement programme on the course and everything was in place for the start of the full season. A full marketing campaign started in January 2018 to promote the new packages with competitions, social media and a targeted email campaign taking place. New signage is now in place and we are actively looking for sponsorship on each hole of the signage. Foot-golf will launch again from Easter and we are already starting to get bookings for April / May.

Gym Membership – The gym membership continues to be resilient despite strong competition from the budget sector with the Gym group recently taking over a facility in Burnley and carrying out a large scale marketing campaign. We sold 301 new memberships in January 2018 an increase on last year and we have had fewer cancellations, resulting in our total membership now being 3041. This is our highest membership total since August 2017. We continue to develop this area with plans to upgrade the equipment at St Peters during 2018.

St Peters Swimming Pool Movable Floor – The training pool was out of action for a couple of months due to the movable floor requiring a major overhaul. It took a while to bring in divers to evaluate the best course of action and plan the work. The pool re-opened to the public and clubs on Saturday 21st April 2018.

Padiham Leisure Centre gym upgrade – This was completed in December 2017 and has now fully re-opened and been really well received by members. Membership sales have been positive, and the new cycling studio is proving popular with sessions being fully booked in advance. The site now has the latest equipment with the latest in connective technology allowing more customer interaction.

The group cycling studio is also equipped with My Ride which gives a virtual instructor option and real life training landscapes to use during instructor led classes.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Up and Active

A second year of amazing achievements is reflected in the outputs, which has seen our committed team provide countless opportunities for individuals to become more active and lose weight.

The work of Up & Active has cut across the whole life course of communities, families and workplaces, resulting in new projects and programmes. The teams' knowledge and experience in Public Health has supported our healthy settings approach, which has seen the service work in a whole range of settings, including, primary schools and colleges, workplaces, town centre, parks, community venues, including supermarkets, and medical centres.

We have also continued to develop activities in leisure facilities; this has provided the opportunity to consolidate our work within the leisure trust and to also add to our charitable status. Working alongside leisure centre staff has seen Up & Active self-referrals continue to use leisure facilities either by 'pay as you go' or converting to become members to maintain positive changes to their health and wellbeing.

Up & Active programme in its second year has achieved the following outputs:

Referrals / Self	Total
Cardiac Rehabilitation	98
Weight Management	313
Physical Activity	510
Community Engagement	
No. Community Events	96
No. service users attendance in community activities / early interventions	16,801
No. community sessions	855
No. Weigh In's / Drop In's	461
Press releases	59
Volunteers	47
No. Schools supported	18
Facebook Reach	35,107

Healthy Schools – The Up and Active Healthy Schools Obesity Prevention programme has been very well received in 12 schools and benefited 378 children. Extremely pleasing and positive feedback from the teaching staff includes the following quotes:

'Fantastic and the children really enjoyed it. Most children have made a positive change / food swap' (Ightenhill Primary).

'The children have thoroughly enjoyed the programme and have learnt a great deal - thank you very much' (St James Lanehead).

'The children really looked forward to the lessons each week and enjoyed telling Mrs Schofield what they had done each week' (Brunshaw).

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Cultural Services

Burnley Mechanics have had a very successful Christmas, with most of the festive lunches being full to capacity as well as the Christmas parties at the weekends. The Festive afternoon tea we introduced this year was a big success too, with 180 people joining us for an afternoon tea mid-week. Both Scrooge performances – the theatre and folk booking - were also sold out. A big thank you to the Mechanics team for keeping level headed throughout the very full on period and successfully managing to provide enjoyable experiences to large amounts of different people. We have already sold a full weekend for this year (2018 Christmas) from repeat bookings.

Arts development - have been delivering a series of artists professional development workshops, as a result of the arts council funding achieved last year, these have been really well received and well attended. Feedback has been positive with an appetite for us to do more; therefore, a reduced subsidy offer is being looked at for the coming autumn.

Super Slow Way have been successful in achieving a second round of funding. We supported the application and are the council's representative at partnership meetings. They have developed a business plan for the next three years which is more focussed within districts than the last one. Burnley's area of focus starts at Slater's Terrace includes Finsley Wharf and Thompson Park, the canal is the conduit that connects the three. We are starting conversations about what this means, how we and they can add value to each other's work and from our perspective how they use the town centre to help connect the sites more so Burnley gains from secondary spend.

Leisure Development

Prairie Sports Village - 2nd 3G Pitch – A decision was taken not to pursue option of Rugby (RFU) funding, even though this was offered. Having met with FA/Football Foundation and RFU it was felt that the requirements that came with the Rugby funding would impact too much on the weekly programme of use for the new pitch in terms of amount of time we would need to devote to rugby usage and the level of discount on hire charges that would be to be applied. This would have in turn impacted on the level of investment we could expect from FA/Football Foundation.

To help with the business plan and sustainability, the FA/Football Foundation agreed to increase their level of grant to the maximum in order to upgrade the spec of the new pitch to full World Rugby enabled standard and allow some pitch allocation to Burnley Rugby Club as long as it doesn't significantly impact on the football programme of use.

Consultation meetings have now taken place with the partner football clubs, local leagues, Burnley Rugby Club on hire charges, programming and service level agreements. A consultation event with residents was also undertaken.

Next stages are planning permission, agreeing budget provision for full scheme to include pitch, additional parking and upgrade to driving range netting.

Sport England bid – Families Fund - Project to create a 'family hub' in Thompson Park, in partnership with Action for Children was selected as one of 12 projects to progress to stage 2 of the funding process. A workshop was held in London at the end of February 2018 and shaped the stage 2 bid that was submitted mid- April. The final decision is expected to be in September 2018 and if successful the 4 year project will start shortly afterwards.

Balanceability - These sessions aimed at 2 and a half years to 4 year olds were launched late last year in the sports hall at St Peter's and have been very well received.

Over the 6 week programme children learn the fundamentals of how to ride a bike, learn about balance, co-ordination and spatial awareness and the sessions are designed so that parents are fully involved in the activities with their children. 6 courses have taken place so far and were all full. From feedback and enquiries received a separate 'learn to ride' course for older children aged 5 to 7 years has also been developed and the first of these courses is also full with a waiting list for places on the next course.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Corporate

IT Systems – Throughout the year we have made significant improvements to our booking and CRM systems. A major scheme has been undertaken to update our main system within the leisure facilities, this has involved a full re-build of the XN system that takes bookings, memberships, point of sale and online sales which will hopefully be completed in July 2018. Within our Cultural facilities we are introducing Artifax which will combine event and hospitality bookings at a number of venues. A new online booking system for the Golf Course has also been installed.

Staff Celebration – As a reward for the hard work of our staff we introduced a staff celebration day, held at Prairie Sports Village in June 2018. We provided food and a welcome drink and the senior management team worked the bar. We aimed the afternoon at families, so that we could show our gratitude to both the employee and their family.

Sport England Development Pilot – The Up and Active scheme is the consortium that delivers the Active Lives, Healthy Weight Public Health contract across East Lancashire made up of the four Leisure Trusts (Burnley, Hyndburn, Pendle and Rossendale along with Ribbles Valley Council). Sport England announced a funding stream to develop initiatives to make a real change to physical activity levels and invited applications. The Up and Active team joined forces with Blackburn with Darwen Council to submit a bid on behalf of Pennine Lancashire and were successful in being awarded one of only twelve pilot areas throughout the country. This project will last for 4 years and bring into Pennine Lancashire over £10 million of additional investment to encourage people to become more active.

The Future

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

Our core strength is in the facilities we already provide and these we need to enhance to retain and enhance the service we provide. A £2.7 million Heritage Lottery bid has been submitted to carry out work to the Mechanics and bring redundant areas back into use and refurbish others. As outlined earlier a second 3G Pitch at Prairie Sports Village; along with improvements to the Golf Driving Range and parking will be submitted in the summer. We are also looking to replace the fitness equipment at St. Peter's Centre and theatre lighting at the Mechanics to ensure that we giving customers the best possible experience.

The drive to develop complimentary activities can be seen through the setting up of a trading company to look after all of our catering and hospitality activities. This area of our work has grown so much, that it is no longer an ancillary to our other activities but a main part of our budget. Through our work at Thompson Park Boating Lake, we have been given the opportunity to operate the Boathouse and the Pavilion as catering, hospitality, sporting and cultural venues that will support a number of initiatives in the re-developed park. After taking on the operations of Towneley Golf Courses last year, we have concluded a deal to operate the Clubhouse from this financial year. This again will not only help us provide an improved offer for golfers, but open up catering and hospitality opportunities for the wider community.

In looking to diversify the business, we have undertaken a feasibility study to look at providing a high quality Soft Play Activity Centre in the town centre; this will be supported by another restaurant to add to our Bistro's at the Mechanics and Prairie Sports Village to provide a full family package in one place. We will keep an eye on market trends to see if we can see other opportunities to diversify into new and exciting areas of business.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

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 £282,933 and restricted reserves of £111,490. In addition to these reserves the pension scheme was in deficit by £2,110,000.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2018**

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

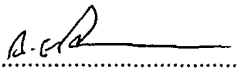
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit 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: 9th July 2018

**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 2018 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page eight, 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: 9th July 2018

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total Funds £
INCOME					
Income from charitable activities					
Grant income	2	84,038	569,637	653,675	802,557
Operation of leisure and arts facilities	3	<u>3,510,489</u>	<u>-</u>	<u>3,510,489</u>	<u>3,263,799</u>
Total income		3,594,527	569,637	4,164,164	4,066,356
EXPENDITURE					
Raising funds	4	343,894	-	343,894	320,315
Charitable activities					
Operation of leisure and arts facilities	5	3,100,899	596,663	3,697,562	3,585,975
Other					
Balance of pension scheme operating charge	19	339,000	-	339,000	132,000
Net interest on pension scheme liability	19	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>40,000</u>
Total expenditure		3,835,793	596,663	4,432,456	4,078,290
NET EXPENDITURE		(241,266)	(27,026)	(268,292)	(11,934)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	19	<u>383,000</u>	<u>-</u>	<u>383,000</u>	<u>(769,000)</u>
NET MOVEMENT IN FUNDS		141,734	(27,026)	114,708	(780,934)
RECONCILIATION OF FUNDS					
Total funds brought forward		(1,968,801)	138,516	(1,830,285)	(1,049,351)
TOTAL FUNDS CARRIED FORWARD		<u>(1,827,067)</u>	<u>111,490</u>	<u>(1,715,577)</u>	<u>(1,830,285)</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 2018

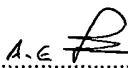
	Notes	31.3.18 £	31.3.17 £
FIXED ASSETS			
Tangible assets	10	20,000	30,000
Investments	11	<u>2</u>	<u>-</u>
		20,002	30,000
CURRENT ASSETS			
Stock	12	48,134	44,890
Debtors	13	172,304	102,221
Cash at bank and in hand		<u>542,495</u>	<u>410,213</u>
		762,933	557,324
CURRENT LIABILITIES			
Amounts falling due within one year	14	<u>(378,512)</u>	<u>(295,609)</u>
NET CURRENT ASSETS		<u>384,421</u>	<u>261,715</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		404,423	291,715
LONG TERM LIABILITIES			
Amounts falling due after one year	15	<u>(10,000)</u>	<u>(20,000)</u>
NET ASSETS EXCLUDING PENSION DEFICIT		<u>394,423</u>	<u>271,715</u>
PENSION SCHEME DEFICIT	20	<u>(2,110,000)</u>	<u>(2,102,000)</u>
NET LIABILITIES INCLUDING PENSION DEFICIT		<u>(1,715,577)</u>	<u>(1,830,285)</u>
FUNDS			
Unrestricted funds	18	282,933	133,199
Restricted funds	19	111,490	138,516
Pension scheme deficit		<u>(2,110,000)</u>	<u>(2,102,000)</u>
TOTAL FUNDS		<u>(1,715,577)</u>	<u>(1,830,285)</u>

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

**BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2018**

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 9th July 2018 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 2018

	Notes	31.3.18 £	31.3.17 £
Cash flows from charitable activities			
Cash generated from activities	1	<u>167,282</u>	<u>239,806</u>
Net cash from charitable activities		<u>167,282</u>	<u>239,806</u>
 Cash flows from investing activities			
Interest received		<u>-</u>	<u>-</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
 Cash flows from financing activities			
Capital repayments in the year		<u>(35,000)</u>	<u>(35,000)</u>
Net cash from financing activities		<u>(35,000)</u>	<u>(35,000)</u>
 Increase/(decrease) in cash and cash equivalents		<u>132,282</u>	<u>204,806</u>
 Cash and cash equivalents at the beginning of the year	2	<u>410,213</u>	<u>205,407</u>
 Cash generated from charitable activities	2	<u>542,495</u>	<u>410,213</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.18	31.3.17
	£	£
Surplus/(deficit) for the year	114,708	(780,934)
Depreciation charges	10,000	10,000
	124,708	(770,934)
(Increase)/decrease in stocks	(3,244)	(5,550)
(Increase)/decrease in trade and other debtors	(70,083)	57,457
Increase/(decrease) in trade and other creditors	107,901	17,833
Increase/(decrease) in pension scheme	8,000	941,000
	<u>167,282</u>	<u>239,806</u>
Cash generated from charitable activities	<u>167,282</u>	<u>239,806</u>

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 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u>542,495</u>	<u>410,213</u>

Year ended 31st March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>410,213</u>	<u>205,407</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

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, has confirmed that it will provide support for at least 12 months following the approval of these financial statements.

Basis of consolidation

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

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

Incoming resources

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

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

Investment income is recognised on a receivable basis.

Resources expended

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

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 2018

2. GRANT INCOME

	31.3.18	31.3.17
	£	£
Restricted:		
LCC Public Health	367,704	364,368
Sport England	50,740	204,246
Burnley, Pendle and Rossendale CVS	45,000	-
Big Lottery	40,000	56,680
Burnley Borough Council	20,000	-
Arts Council	13,048	74,420
Street Games	11,420	13,500
Stocks Massey	8,000	5,000
Lancashire County Council	7,990	-
Lancashire Care	5,735	6,820
Heritage fund	-	10,000
Unrestricted:		
Partner contributions	58,121	41,656
Sponsorship	21,558	-
Up & active	4,359	13,886
Lottery matched funding	-	9,760
Lottery	-	1,690
Lancashire Care	-	285
Lancashire County Council	-	246
	<u>653,675</u>	<u>802,557</u>

In 2017, of the total grant income, £735,034 was restricted and £67,523 was unrestricted funds.

3. CHARITABLE ACTIVITIES – OPERATION OF FACILITIES

	31.3.18	31.3.17
	£	£
Burnley Borough Council annual contract fee	423,272	609,396
Income from the operation of leisure and arts facilities	<u>3,087,217</u>	<u>2,654,403</u>
	<u>3,510,489</u>	<u>3,263,799</u>

In 2017, of the total charitable activities income, £nil was restricted and £3,263,799 was unrestricted funds.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

4. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 31.3.18 £	Total 31.3.17 £
Staff costs and allowances	196,566	-	196,566	188,789
Premises expenses	11,925	-	11,925	6,579
Services and supplies	85,535	-	85,535	74,170
Transport expenses	1,225	-	1,225	1,224
Agency and contracted services	24,535	-	24,535	24,693
Business and technical support	24,107	-	24,107	24,860
	<u>343,893</u>	<u>-</u>	<u>343,893</u>	<u>320,315</u>

In 2017, of the total costs raising funds, £nil was restricted and £320,315 was unrestricted funds.

5. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 31.3.18 £	Total 31.3.17 £
Staff costs and allowances	1,769,092	541,961	2,311,053	2,173,130
Premises expenses	107,328	9,781	117,109	144,397
Supplies and services	769,819	29,771	799,590	756,390
Transport expenses	11,029	3,874	14,903	14,438
Agency and contracted services	220,814	1,903	222,717	264,134
Business and technical support	216,967	9,373	226,340	227,636
Governance costs (see note 6)	5,850	-	5,850	5,850
	<u>3,100,899</u>	<u>596,663</u>	<u>3,697,562</u>	<u>3,585,975</u>

In 2017, of the total costs of charitable activities, £703,139 was restricted and £2,882,836 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 £	31.3.18 Total funds £	31.3.17 Total Funds £
Business and technical support	241,074	9,373	250,447	252,496
Audit services	5,000	-	5,000	5,000
Non-audit services	850	-	850	850
	<u>246,924</u>	<u>9,373</u>	<u>256,297</u>	<u>258,346</u>

In 2017, of the total governance and support costs, £9,741 was restricted and £248,605 was unrestricted funds.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

7. NET INCOMING RESOURCES

Net resources are stated after charging:

	31.3.18	31.3.17
	£	£
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 £26,706 (2017: £27,394) was paid to Miss M Grimes, 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 2018 nor for the year ended 31st March 2017.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2018 nor for the year ended 31st March 2017.

9. STAFF COSTS

	31.3.18	31.3.17
	£	£
Wages and salaries	2,128,917	2,007,950
Social security costs	142,774	139,246
Other pension costs	<u>197,554</u>	<u>190,809</u>
	<u>2,469,245</u>	<u>2,338,005</u>

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

	31.3.18	31.3.17
Employees	<u>154</u>	<u>143</u>

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

	31.3.18	31.3.17
£60,001 - £70,000	<u>1</u>	<u>1</u>

The above staff member participated in the defined benefit pension scheme. Contributions of £7,182 (2017: £7,762) 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 2018

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1st April 2017	50,000
Additions	-
At 31st March 2018	<u>50,000</u>
DEPRECIATION	
At 1st April 2017	20,000
Charge for year	<u>10,000</u>
At 31st March 2018	<u>30,000</u>
NET BOOK VALUE	
At 31st March 2018	<u>20,000</u>
At 31st March 2017	<u>30,000</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

	31.3.18 £	31.3.17 £
Leisure centre stock	5,067	5,611
Bar and catering	<u>43,067</u>	<u>39,279</u>
	<u>48,134</u>	<u>44,890</u>

Amount expensed during the year was £176,381.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18 £	31.3.17 £
Trade debtors	88,834	14,244
Prepayments and accrued income	58,393	76,060
Other debtors	<u>25,077</u>	<u>11,917</u>
	<u>172,304</u>	<u>102,221</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 2018

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade creditors	139,650	126,967
Taxation and social security	54,410	21,967
Accruals and deferred income	174,452	111,675
Other creditors	<u>10,000</u>	<u>35,000</u>
	<u>378,512</u>	<u>295,609</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	31.3.18	31.3.17
	£	£
Other creditors	<u>10,000</u>	<u>20,000</u>
	<u>10,000</u>	<u>20,000</u>

16. OPERATING LEASE COMMITMENTS

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

	31.3.18	31.3.17
	£	£
Expiry date:		
Within 1 year	3,196	-
Between one and five years	<u>4,940</u>	<u>9,697</u>
	<u>8,136</u>	<u>9,697</u>

17. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.18 Total funds	31.3.17 Total Funds
	£	£	£	£
Fixed assets	20,002	-	20,002	30,000
Current assets	651,443	111,490	762,933	557,324
Current liabilities	(378,512)	-	(378,512)	(295,609)
Long term liabilities	(10,000)	-	(10,000)	(20,000)
Pension scheme deficit	<u>(2,110,000)</u>	<u>-</u>	<u>(2,110,000)</u>	<u>(2,102,000)</u>
	<u>(1,827,067)</u>	<u>111,490</u>	<u>(1,715,577)</u>	<u>(1,830,285)</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

18. UNRESTRICTED FUNDS

	Pension deficit £	General funds £	Designated funds £	Total funds £
Balance at 1 st April 2017	(2,102,000)	94,365	38,834	(1,968,801)
Net income / (expenditure)	(8,000)	131,716	18,018	141,734
	<u>(2,110,000)</u>	<u>226,081</u>	<u>56,852</u>	<u>(1,827,067)</u>

Purposes of designated funds

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

General fund

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

19. RESTRICTED FUNDS

	At 1 st April 2017 £	Incoming resources £	Outgoing resources £	At 31 st March 2018 £
Project fund				
Active streets – Big Lottery	30,384	85,000	(58,432)	56,952
Streets Games	-	11,420	(11,420)	-
Cycling project	6,232	-	(4,171)	2,061
Generation	338	-	(338)	-
Get in 2 golf	4,164	-	(4,164)	-
Get in 2 parks	5,324	-	(5,324)	-
Resilient heritage	3,100	-	(3,100)	-
Sports development	39,071	50,740	(86,606)	3,205
MAPS	19,609	-	(14,952)	4,657
Up and active	23,934	373,439	(356,748)	40,625
Volunteer programme	6,360	-	(6,360)	-
Young Mechanics	-	7,990	(4,000)	3,990
Art Council	-	13,048	(13,048)	-
Stock Massey	-	8,000	(8,000)	-
Burnley Borough Council	-	20,000	(20,000)	-
	<u>138,516</u>	<u>569,637</u>	<u>(596,663)</u>	<u>111,490</u>

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

20. PENSION ARRANGEMENTS

The charity participates in the Lancashire County Pension Fund which is a funded defined benefit scheme providing benefits based on final remuneration. The assets of the scheme are held separately from those of the charity. Whilst this is a multi-employer scheme, the actuary is able to segregate the assets and liabilities relating to the charity. During the year, normal employer pension contributions of £197,554 (2017: 190,809) were paid to the scheme.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

20. PENSION ARRANGEMENTS (CONTINUED)

The following calculations as at 31st March 2018 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:

	31.3.18	31.3.17
	%	%
Rate of CPI inflation	2.10	2.20
Rate of increase in salaries	3.60	3.70
Rate of increase in pensions	2.20	2.20
Discount rate	2.70	2.60
Life expectancy of a male future pensioner aged 65 in 20 years' time	25.00	24.90
Life expectancy of a female future pensioner aged 65 in 20 years' time	28.00	27.90
Life expectancy of a male current pensioner aged 65	22.70	22.60
Life expectancy of a female current pensioner aged 65	25.40	25.20

The amounts recognised in the balance sheet are as follows:

	31.3.18	31.3.17
	£	£
Present value of funded obligations	(8,792,000)	(8,336,000)
Fair value of plan assets	6,682,000	6,234,000
Net pension deficit	<u>(2,110,000)</u>	<u>(2,102,000)</u>

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.18	31.3.17
	£	£
Operating charge		
Current service cost	522,000	309,000
Administration expenses	8,000	7,000
Total operating charge	<u>530,000</u>	<u>316,000</u>
	31.3.18	31.3.17
	£	£
Other finance costs		
Expected return on pension scheme assets	(165,000)	(187,000)
Interest on pension scheme liabilities	217,000	227,000
Net charge	<u>52,000</u>	<u>40,000</u>
	31.3.18	31.3.17
	£	£
Total charge to resources expended in Statement of Financial Activities	<u>582,000</u>	<u>356,000</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

20. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.18	31.3.17
	£	£
Actuarial gains / (losses) on assets	63,000	875,000
Actuarial gains / (losses) on liabilities	<u>320,000</u>	<u>(1,644,000)</u>
Actuarial gain / (loss) recognised	<u>383,000</u>	<u>(769,000)</u>

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

	31.3.18	31.3.17
	£	£
Opening defined benefit obligation	8,336,000	6,089,000
Current service cost	522,000	309,000
Interest on pension scheme liabilities	217,000	227,000
Employee contributions	100,000	91,000
Actuarial (gains)/losses	(320,000)	1,644,000
Benefits paid / transfers	<u>(63,000)</u>	<u>(24,000)</u>
Closing defined benefit obligations	<u>8,792,000</u>	<u>8,336,000</u>

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

	31.3.18	31.3.17
	£	£
Opening fair value of plan assets	6,234,000	4,928,000
Expected return on plan assets	165,000	187,000
Actuarial gains/(losses)	63,000	875,000
Employer contributions	191,000	184,000
Employee contributions	100,000	91,000
Administration expenses	(8,000)	(7,000)
Benefits paid / transfers	<u>(63,000)</u>	<u>(24,000)</u>
Closing fair value of plan assets	<u>6,682,000</u>	<u>6,234,000</u>

The split of assets between investment categories is as follows:

	2018	2018	2017	2017
	£	%	£	%
Equities	2,968,000	44.40	-	-
Government bonds	167,000	2.50	125,000	2.00
Other bonds	120,000	1.80	100,000	1.60
Property	628,000	9.40	549,000	8.80
Cash/liquidity	(27,000)	(0.40)	69,000	1.10
Other	<u>2,826,000</u>	<u>42.30</u>	<u>5,393,000</u>	<u>86.50</u>
	<u>6,682,000</u>	<u>100.00</u>	<u>6,234,000</u>	<u>100.00</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

20. PENSION ARRANGEMENTS (CONTINUED)

Amounts for the current and previous periods are as follows:

	2018	2017	2016
	£	£	£
Defined benefit obligation	8,792,000	(8,336,000)	(6,089,000)
Plan assets	<u>6,682,000</u>	<u>6,234,000</u>	<u>4,928,000</u>
	<u>(2,110,000)</u>	<u>(2,102,000)</u>	<u>(1,161,000)</u>

A full actuarial review of the scheme was undertaken as at 31st March 2018.

Following the full actuarial valuation at 31st March 2018, employer contributions were agreed to stay at a rate of 11.60% with effect from 1st April 2018.

The current estimate of employer contributions for the year ended 31st March 2019 is £192,000. Implied service cost is estimated at £496,000 and a net interest and administration cost at £62,000 resulting in the deficit increasing by an estimated £366,000 to £2,476,000.

21. RELATED PARTY TRANSACTIONS

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

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

During the period, the charity received grant funding from Burnley Borough Council of £423,272 (2017: £609,396).

Burnley Borough Council also provides professional services to the charity under a service agreement which amounted to £239,681 (2017: £237,547) in the period.

During the period sales of £45,617 (2017: £19,568) were charged to and expenditure of £49,892 (2017: £60,698) was charged by Burnley Borough Council.

In the year to 31st March 2015 Burnley Leisure borrowed £75,000 from Burnley Borough Council to cover redundancy and pensions strain costs. The loan agreement states Burnley Leisure are to repay the loan amount over three years at £25,000 per year.

At the year end Burnley Leisure owed Burnley Borough Council £nil (2017: £25,000) in respect of this loan.

In the year to 31st March 2016 Burnley Leisure borrowed £50,000 from Burnley Borough Council to cover fixed asset purchases. The loan agreement states Burnley Leisure are to repay the loan amount over five years at £10,000 per year.

At the year end Burnley Leisure owed Burnley Borough Council £20,000 (2017: £30,000) in respect of this loan.

During the year the charity received income of £47,275 (2017: £nil) from Burnley Pendle and Rossendale Council for Voluntary Services, a related party that shares a Trustee with Burnley Leisure.

22. GOING CONCERN AND POST BALANCE SHEET EVENTS

In preparing this Annual Report and Accounts, the trustees have considered their statement made regarding preparation of the financial statements on a going-concern basis. The financial statements have been produced on a going concern basis, despite the existence of net total liabilities (including the pension scheme deficit) as at 31st March 2018 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 2019.

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