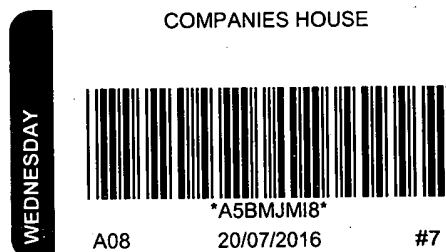


REGISTERED COMPANY NUMBER: 08737838 (England and Wales)
REGISTERED CHARITY NUMBER: 1158520

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016
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 2016

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

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 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller Entities (the FRSE) (effective 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
Mrs J Cunningham (resigned 18th May 2016)
Miss M Grimes
Mr W Park
Mr T Hephrun
Mr M Heaton (appointed 27th July 2015)
Cllr A Tatchell (resigned 23rd October 2015)
Mrs K Pates (resigned 23rd November 2015)
Dr S Hawke (resigned 23rd November 2015)
Cllr S Hussain (appointed 23rd November 2015 & resigned 18th May 2016)
Cllr A Raja (appointed 18th May 2016)
Cllr T Harrison (appointed 18th May 2016)

Officers in attendance as required

Mr G Vinton – Chief Executive

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 2016

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:

- one Employee Trustee;
- up to two Local Authority Trustees; and
- up to eight Community Trustees

The Community Trustees shall at all times be in the majority. Members shall be elected with necessary expertise co-opted where appropriate.

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.

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 2016. The trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller Entities (the FRSSE) (effective January 2015).

Organisation structure

The Board currently consists of eight 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 4 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 2016**

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

Burnley Leisure has been split into four service areas:

Cultural Services

Cultural Services is responsible for the operation and management of the Mechanics Theatre. This venue facilitates large scale performances and arts and hospitality events. They also host a large number of performances by local societies including opera and pantomime, as well as dance schools. Hospitality and conferencing is increasing, anchored by our Partnership with Classic Cuisine through our joint Simply Classic brand, and the Christmas Events programme which is eagerly anticipated by our customers.

As well as managing the theatre, Cultural Services have a vibrant arts development section which comprises a team of talented arts professionals working to deliver access opportunities to the arts for our communities. The team works in partnership with national and regional organisations such as Arts Council England, Creativity Works, Burnley Youth Theatre and other bodies to deliver projects, courses and activities.

Leisure Facilities & Operations

Responsible for the operation and management of three leisure facilities, St. Peter's Centre, Padiham Leisure Centre and Prairie Sports Village. St Peter's and Padiham operate our Clear Fitness membership. Our award winning fitness team ensure that customers receive the best work out available in the area and offer suitable classes from beginners through to professional athletes.

Swimming lessons are provided at both St. Peter's and Padiham, and the Borough's swimming clubs use both venues. A number of sports clubs use both sites to promote and operate their sports. Prairie Sports Village opened in October 2015 and offers and FA accredited 3G Artificial Pitch, 16 gold driving bays, professional teaching bay, two meeting rooms and a bistro operated in partnership with Classic Cuisine. The facility also offers 12 changing rooms for either the artificial pitch or the 10 grass pitches on site.

Sport and Play Development

The Sport and Play Development Unit develops, delivers and supports initiatives that provide opportunities for people to enjoy sport and physical activity; build confidence, and break down barriers to taking part; supporting wider objectives such as youth engagement and tackling anti-social behaviour. Since early 2012, we have been promoting our brand 'Get in 2', which is now well established locally, and is a registered trademark of Burnley Leisure. In 2012 we set up Burnley parkrun. This weekly event, now run entirely by a team of dedicated volunteers, regularly attracts over 200 runners, and has led to many new running groups being set up in the town, as well as the hugely popular Pennine 10k run.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

OBJECTIVES AND ACTIVITIES (CONTINUED)

The Sport and Play Development Team also organises Burnley Sports Awards each year, an extensive Holiday Programme in parks and sports centres; and from April to September run The Boathouse in Thompson Park.

Healthy Lifestyles

The Healthy Lifestyle Service consists of specialist healthy lifestyle tutors working across Burnley and Padiham. Highly qualified and experienced staff develop and deliver locally specific health improvement activity at individual, community and strategic levels.

Exercise on Prescription known locally as BEEP (Burnley Encouraging Exercise on Prescription), Weight Management (WM), Cardiac Rehabilitation (CR), Smoking Cessation and a Community Activity Programme are part of Burnley's portfolio of Healthy Lifestyle's Wellbeing and Physical Activity programmes. These programmes focus primarily on health inequalities, the prevention of Cardiovascular Disease (CVD) and obesity. The Schemes can demonstrate that they are efficient and effective interventions that change lifestyles and impact on quality of life, offer value for money to all partners and ultimately savings to the health service. The Schemes also contribute to many other partner programmes and projects; a working example of successful partnership working.

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.

ACHIEVEMENTS AND PERFORMANCE

Partnerships and External Funding Opportunities

Burnley Leisure is proud to be a strategic partner of Burnley Borough Council and through its funding and management agreement delivers the cultural, sporting and wellbeing activities for its residents. Burnley Leisure has developed unique and varied partnerships with Classic Cuisine to develop the 'Simply Classic' brand bistros at both the Mechanics and Prairie Sports Village, whilst investigating new opportunities to develop the partnership further. We have also partnered with Calico on the 'Girls Up and Active' project where a jointly developed bid was submitted and successful for a 3 year project, we are also working with them as consultants on both the Chai Centre and Whitehough initiatives that Calico are currently investigating.

We work closely with national delivery partners Arts Council England and Sport England, which has seen us attracting funding for Audience Development at the Mechanics from the first and monies for the Calico project from the latter. We are seen by both organisations as a 'can do' company that achieves and delivers on projects and initiatives that they promote and fund.

Asset Plan – Investment and Capital Spend

Burnley Leisure works closely with the Council to deliver the capital programme for the Leisure facilities leased to us by them. Much of this work within the facilities is to improve, upgrade and extend the customer experience whilst maintaining a quality environment and experience. This can be seen clearly at the Mechanics where a combination of Council capital, external funding from Arts Council England and ourselves through our own revenue budgets and a £50,000 loan transformed the ground floor of the Mechanics into a Bistro and small performance area.

We have also opened up new opportunities with the development of the Prairie Sports Village, again through the attraction of external funding from both Football Foundation and Sport England, along with a robust business plan that supports the Councils borrowing towards the scheme; Burnley has a fantastic facility that is the envy of other neighbouring operators.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Workforce Planning, Training and Development

All Burnley Leisure staff have a Professional Development Reviews as part of the ongoing process. Through our apprenticeship scheme we are training our future staff to ensure that we have the skills and knowledge to continue to develop and enhance our business in the future. All staff have undertaken the level 1 safeguarding training and all Lifeguards hold the relevant qualifications.

Press and Media

We are working towards our new marketing plan and the website has been relaunched to reflect this. We work closely with our Council colleagues in both Graphics and Communications to enhance our marketing / publicity and ensure that our materials reflect our customers and employees. We have improved our responses to our customers and we will be looking at further opportunities to allow users to give us feedback on the service we provide and how we can improve it.

Reference is made in the individual updates for each service area.

Leisure Facilities & Operations

2015/16 has been a successful and rewarding year firstly opening a new site the Prairie Sports Village and secondly building our customer base and increasing profitability (before actuarial pension adjustments) and user numbers across our leisure facilities. We have now gained back 100% of the members that left to budget competition in 2014/15 and we are still seeing growth which will likely take us into an all-time high for gym membership figures in 2016/17. We have continued to work hard on our brand and now have an excellent reputation as the number one provider of health and fitness in the area leading the way with new initiatives. Retention is strong and will be a key focus to now keep the extra members we have gained over the last year.

Yet again we were finalists at the National Fitness Awards winning an unprecedented 3 awards:

- National Group Fitness Gym of the Year
- National Leisure Trust Gym of the Year
- Overall UK National Gym of the Year 2015

We are now benefiting from the expertise and settled staff structure since a re-structure in 2014/15 and this is reflected in our performance over the last 12 months.

The facilities team have completed several external and internal training courses in a multitude of areas. The team has completed mandatory courses and we have upskilled several staff members in the instruction of Swimming and Trampolining in order to aid our delivery of our course programme, first aid and automated external defibrillator [AED], customer care and training on our membership journey and promotions. St Peter's Leisure Centre has been externally audited by the Institute of Qualified Lifeguard approved centre status achieving a score of 99.2% on assessment. Our apprentice scheme develops from strength to strength and presently undertaking the scheme we have 11 placements in Sports Apprenticeship level one & two, along with Sports Management apprenticeship level three. Upon a recent recruitment an apprentice who was undertaking her second year on her level three course was successful in obtaining a permanent full time Recreation Attendant role within Burnley Leisure. A number of our apprentices have been shortlisted for the Themis Apprentice awards which is a huge credit to their hard work and determination

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Membership of our Feel-good Factory continues to grow and at present we have 155 members. The team have added value to the membership including anytime swimming to the scheme and have developed the social programme with many members meeting regularly for events including meals out, parties and book clubs.

Health and Safety at both St Peter's and Padiham Leisure Centre is an important part of what we do ensuring a safe and secure environment for staff and customers alike. In our latest Health and Safety inspections by the Council we scored 96.4% at St Peter's, 96.9% at Padiham Leisure Centre and 92.1% at Prairie Sports Village.

The local swimming clubs we support continue to place Burnley on the map. The elite swimming club Burnley Bobcats having swimmers attending the Olympic trials, national and regional competitions.

The Prairie Sports Village opened in October 2015 and has been a fantastic success over the first few months of operation. The Golf driving range has outperformed the targets we set and the 3G pitch is performing well. The partnership with Classic Cuisine is going from strength to strength and we are fast becoming a destination for food and hospitality in the areas with corporate and event bookings growing week on week.

Key Success Factors

- Gym Membership has grown by over 600 members in the last 12 months and is still growing
- The Prairie Sports Village has hit 800,375 Golf Balls since 26th October 2015 despite the poor weather and severe flooding over the winter!
- We have a thriving partnership with Classic Cuisine at the sports village with over 40 conferences and events delivered since January 2016.
- The Leisure Facilities Team has managed budgets effectively creating a small surplus (before actuarial pension adjustments) despite challenging trading throughout the year.

Healthy Lifestyles

This has been a year of innovative working and amazing achievements. The delivery of strategic health programmes across the portfolio include: GP referral scheme, with a long term condition and complex needs, Cardiac Rehabilitation programmes, Smoking Cessation, Weight Management programmes, Cancer Care pathways established, Community engagement and Functional Fitness MOT Health Checks (FFMOT). We also provided a programme of continuation classes within and beyond our sport and leisure facilities: Pilates, Falls prevention and Chair based programmes, Functional Fitness Circuits, Tai Chi, Exercise to Music and FitSteps.

This work is underpinned by working in partnership with Public Health and a wide range of other agencies including: Clinical Commissioning Group and Secondary Care Teams, Community Sport and Physical Activity Networks, Age UK, Council for Voluntary Services, Fire Service, Local Housing Association, MIND Matters, Local Sports Clubs and the Health Improvement Service.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Table 1: Exercise on Prescription Scheme (BEEP)

Total number of referrals	443
Completed 12 week programme	84%
Increase in activity levels	77%
Referrals from the most deprived areas	48%
Adherence rate @ 12 months	82%
Number of referrals who rated the scheme as Excellent	63%
Number of clients who rated the scheme as Good	36%

Quote Bill age 82

'I would go as far to say the exercise class is just as much a treatment for my Parkinson's disease as my drug therapy; and this, in the long-run, must be a benefit to the community too, in keeping its elderly and infirm safer and fitter for longer'

Table 2: Weight Management Scheme

Total number of referrals/self-referrals	358
Completed 12 week programme of exercise and health education	79%
Increase in activity levels	90%
Average % weight loss @ week 12	5.5%
Referrals from the most deprived areas	57%
Physical activity adherence @ 12 months	83%
Number of referrals who rated the scheme as Excellent	75%
Number of clients who rated the scheme as Good	24%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Table 3: Maintained weight loss @ 12 months

Percentage Weight Loss	Total number and percentage of referrals
3%	32 (15%)
5%	55 (25%)
10%	28% (13%)
15%	13 (6%)
20%	2 (1%)

Table 3 illustrates 60% referrals maintained weight loss 12 months post programme; an extremely impressive result.

Quote Debbie age 31

'Loved the exercise programme and it was the best thing I have ever done. Lost inches, feel amazing, staff at Burnley Leisure have been fantastic'.

Table 4: Cardiac Rehabilitation

Total number of referrals	121
Number completed a 12 week programme	76%
Referrals from the most deprived areas	34%
Mean improvement in functional capacity	64%
Average improvement in MET's	0.6 MET's
1 MET improvement	58%
Increase in activity levels 12 months post programme	83%
Referrals better able to manage their condition	83%

Quote David age 72

'I wish to thank Healthy Lifestyles and staff at the Padiham Leisure Centre for their excellent support during my recovery programme and for confirming that a healthy diet and physical activity are very important to a quality lifestyle. I now feel confident in my physical ability and have the self-belief that I can lead a normal life following Bypass Surgery.'

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Table 5: Smoking Cessation

Total number of self-referrals	276
Number of people quit	49%
Number of smoke free pledges	50

Quote Natalie age 36

‘When smoking I felt continuously breathless, but since giving up breathing is much easier and my well-being is a lot better. Go along, try your best and keep at it!’

Table 6: Functional Fitness MOT's (60+years)

	410
Number of clients who have received a FFMOT	
Increased activity levels at 4 week follow up	74%
Percentage of clients enrolled on a BEEP 3 month programme	55%
Percentage of clients attending Healthy lifestyles community classes	16%
The percentage of clients attending exercise classes in their community run by other organisations	23%

Quote Harry age 66 - 4 week follow up

‘I have been keeping active during the summer with walking and gardening. I now plan to keep active during the autumn and winter months, attending the Tai Chi class at Padiham leisure centre and walking the equivalent of a marathon each week. I have already discussed the route with my daughter. This will help me to lose weight too.’

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Table 7: Community engagement

Number of events supported	13
Number of people received a MOT health check	258
Number of people referred to their GP for a BEEP prescription with coronary heart disease risk factor/s	98

Cultural Services

Arts Development

In 2015/16 we have continued to support the local creative community by providing exhibition space, being a point of contact and source of advice on accessing funding e.g. from Arts Council England, and distributing a fortnightly locally focused e-newsletter informing residents of creative opportunities, training and events. We have also been working with Burnley College to engage a group of young people in a Heritage Lottery Funded project, enabling them to interpret the heritage of the park through creative activities and hosting public events, gaining their Arts Award qualification as a result.

The Mechanics at Home project is providing residents of Trinity and Bank Hall with regular opportunities to get creative alongside professional artists and to make new and different things happen in their communities. From international collaborative drawing projects and community cinema to drama and film workshops for young and old, the project has a wide scope and is both inclusive and experimental in approach. Mechanics at Home is giving people new and different reasons to come into the Mechanics building and become part of what happens here. The project is making a difference in people's lives, for example, two of our regular groups have now formally constituted themselves and have applied for funding to continue their activities beyond the project end.

Key Success factors

- No of participants in the Mechanics at Home project, 1466 for 2015/16, 3197 in total to date
- No of volunteers on the Mechanics at Home project 23, equating to 174 hours
- Three apprentices employed and completed their Level 2 apprenticeship
- 7 Artists exhibited in Lounge Bar
- 5 Works of Art sold from Lounge Bar exhibitions
- 250 Subscribers to Burnley Creative Alliance newsletter
- 86% of people who saw the Generation Noise exhibition at Towneley thought it was really good
- 39% of people that went to see the exhibition were first time visitors to Towneley

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Mechanics Theatre

Key Success factors

- Increase in box office income sales from £215,523 to £308,352
- Increase in popular, bigger shows resulting in 46 sold out events
- Increased number of first time visitors to Burnley Mechanics, increasing the customer base
- Re-profile and increase of private hire events, reducing risk whilst increasing income levels
- New customers to Bistro promoting new customers to theatre
- Development of Asian events and Mendhi's

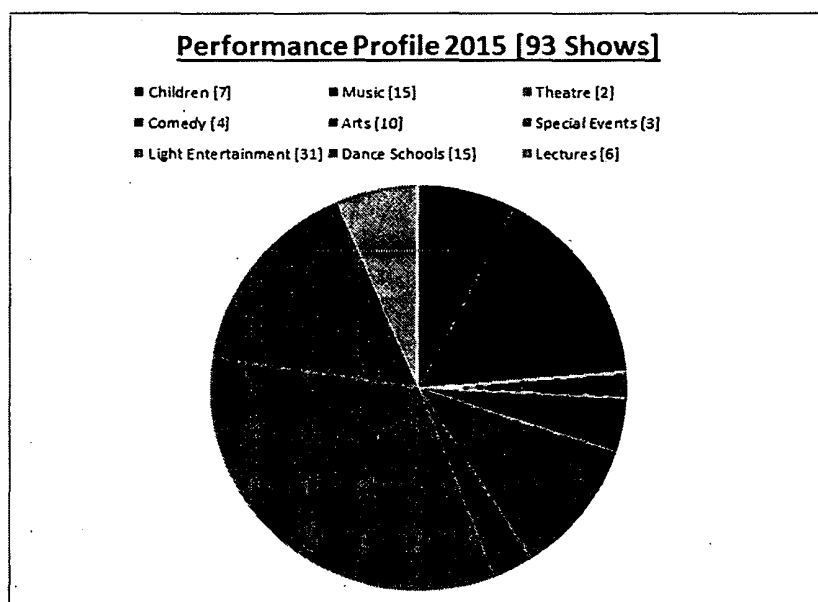
Three year show comparison

Year	No of Performances	Attendance	Income	Artist fee	Surplus against Artist fees
2013	116	30,600	159,197		
2014	101	27,857	215,523	146,137	69,386
2015	93	35,088	308,352	219,436 *	88,916

* - On split deals of the box office income the increase in ticket sales per show results in an increase of fee payable to the artist.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)



45 Private hire events + 38 Mechanics events + 10 Audience development / arts funded

36 sold out - 19 Private hire + 17 Mechanics events

Sport and Play Development
New Projects

- Launched Girls Up & Active, a 3 year project to provide opportunities for women and girls working in partnership with Calico Enterprise after we secured £160,000 Sport England funding.
- Launched Girls Get in 2 Golf, providing introductory group lessons with the golf professional at Prairie Sports Village, funded through Sport England
- Continued to establish our relationship with Burnley School Sports Partnership and delivered new sports sessions in 31 primary schools as well as hosting a successful Change for Life festival at Prairie Sports Village

Active Streets

- Detached work tackling ASB Active Streets project is a key partner delivering MATAC Group priorities within the town
- Successful delivery of doorstep sports clubs in Year 2 with over 300 participants engaged on late evenings and weekends
- Very successful delivery of the Strike for Life project with key Partners tackling the NEET agenda for unemployed young people. Eleven completed the project over 4 week's great retention figures.
- Secured additional funding to work within the Gannow area delivering youth sessions on a Tuesday and Friday night
- Developed a volunteer in action project producing footage of promoting volunteering and its benefits to young people

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Rounders

We secured additional funding from Rounders England to continue developing the sport in Burnley.

- In 2015/16 our summer leagues increased from 16 to 24 teams
- In 2015/16 our winter leagues increased from 16 to 26 teams
- 3 members of staff qualified as Rounders Workforce Tutors
- The Burnley Rounders league now has 32 preliminary umpires and 14 intermediate umpires
- We secured £10,000 additional funding for Burnley Rounders Club
- A member of the Burnley Rounders club was chosen for Sport England's #ThisGirlCan poster campaign

Clubs / groups supported in 2015/16:

- Burnley Play Partnership – Awards for All funding
- Burnley Rounders Club – Sport England funding
- Step 2 it – Awards for All funding
- Friends of Scott Park – Awards for All funding
- Secured Morrisons funding for mental health project at The Boathouse
- Volunteer Burnley – Awards for All funding

Plans for future periods

As a business we will;

- Continue to focus on efficiencies, maximise income generation and lever external funding to maintain a balanced budget, increase our reserves and future resilience.
- Continue to extend our reach and engagement through piloting and developing new activities, especially for underrepresented groups and individuals.
- Develop more robust customer intelligence and data collection and analysis to inform our programmes and seek out opportunities for increased customer feedback and involvement including such things as the extension of our work with volunteers.
- Continue to invest in our physical facilities, where funding allows, to improve the customer experience.
- Continue to improve our cross over marketing across the whole of BLT.
- Extend and further develop our partnerships such as Classic Cuisine to enhance our existing offer for customers and develop new income generation opportunities.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Leisure Operations and Facilities

- Launch 'Swim Academy' at St. Peter's and Padiham Leisure Centres
- Refurbish and renew the fitness suite and equipment at Padiham Leisure Centre
- Undertake an in depth review of Towneley Golf Course in partnership with the Council and the Golf Club
- Develop practice area and mini golf at Prairie Sports Village

Cultural Services

Arts Development

- Provide support for local artists through providing information on funding, training and events, hosting opportunities for the local creative community to meet and network, and providing free exhibition space at Burnley Mechanics.
- Work with partners to enable local young people to organise and run a one day festival in Thompson Park and gain their Arts Award qualification
- Work towards establishing engagement programme at Burnley Mechanics with focus on developing creative skills and resilience within the community

Mechanics

- Develop Heritage Lottery Fund for the Mechanics, areas of focus: increased heritage profile, toilet refurbishments, basement development and engagement programme
- Maintaining a busy Bistro clientele and extending opening hours to a Saturday
- To maintain and further build income generation opportunities in an incremental and planned way, together with efficiencies that reduce overheads, implement new ways of working, without unduly compromising our reach and offer, contribute to achieving an overall balanced budget for the LT and maintain quality and our market position.
- To investigate approaches for increased volunteering to enhance our customer interface, feedback and sense of ownership by the community and strengthen our marketing - To pilot a FOH Volunteering scheme.
- To further refine our collection of customer intelligence and make use of it to further inform programming and strengthen cross over marketing with other parts of the LT.
- To investigate options for the increased use of spaces in the building with a focus on The Front Room and Basement, either through encouraging external hires, or direct programming, the latter of which might include entering into partnership arrangements.
- In the longer term, to start to broaden our reach by bringing in new audiences, participants and footfall that will build a more resilient future and deliver on our mission and charitable objectives around advancement and enjoyment of the arts and culture for all residents of Burnley, especially amongst marginalised groups.
- To lever external funding from a variety of sources to support the Mechanics and Arts development priorities, give us more capacity and a window for risk taking and experimentation, as part of a LT fundraising strategy.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Sport and Play Development

- Further development of Prairie Sports Village and The Boathouse, pending external funding decisions
- Expected additional work in schools 2016/17
- Application to Sport England CSAF to extend current Get in 2 Sport project for further 2/3 years
- Working with Burnley Athletic Club to fund and establish Junior parkrun in Burnley
- Development of Holiday Club at Prairie Sports Village

Healthy Lifestyles

Up and Active will replace the Healthy Lifestyles service after successfully securing a 5 year Active Lives Healthy Weight contract from Lancashire County Council. This joined up provision across the boroughs and Leisure Trusts in East Lancashire, we will ensure a co-ordinated and standardised approach to health improvement; the new service will deliver the following:

- recruitment of volunteers, ambassadors, peers, champions and buddies
- workplace health
- walking and cycling
- mass participation events
- family engagement
- pre and post-natal activities
- healthy schools project
- food growing and cooking skills
- weight management programmes
- long term condition and Falls prevention programmes
- smoking cessation
- training for GP's, health and social care professionals, council employees and community organisation

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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.

This was the second year of operation for the charity, therefore it is now possible to compare the income and expenditure against historic information.

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 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.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2016**

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). 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;
- make judgements and estimates that are reasonable and prudent;
- 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.

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: 11th July 2016

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

We have audited the financial statements of Burnley Leisure for the year ended 31st March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice for Smaller Entities).

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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

**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

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 exemptions in preparing the Report of the Trustees.

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: 11th July 2016

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A STATEMENT OF RECOGNISED GAINS AND LOSSES)
FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total Funds £
INCOME					
Income from charitable activities					
Grant income	2	50,532	468,648	519,180	732,944
Operation of leisure and arts facilities	3	<u>3,062,729</u>	<u>-</u>	<u>3,062,729</u>	<u>2,903,759</u>
Total income		3,113,261	468,648	3,581,909	3,636,703
EXPENDITURE					
Raising funds	4	309,319	-	309,319	312,793
Charitable activities					
Operation of leisure and arts facilities	5	2,789,520	473,605	3,263,125	3,221,726
Other					
Balance of pension scheme operating charge	19	154,000	-	154,000	64,000
Net interest on pension scheme liability	19	<u>48,000</u>	<u>-</u>	<u>48,000</u>	<u>(34,000)</u>
Total expenditure		3,300,839	473,605	3,774,444	3,564,519
NET (EXPENDITURE)/INCOME					
		(187,578)	(4,957)	(192,535)	72,184
Other recognised gains and losses					
Opening pension scheme deficit	19	-	-	-	(479,000)
Pension scheme actuarial gain/(loss)	19	<u>568,000</u>	<u>-</u>	<u>568,000</u>	<u>(1,018,000)</u>
NET MOVEMENT IN FUNDS		380,422	(4,957)	375,465	(1,424,816)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>(1,520,023)</u>	<u>95,207</u>	<u>(1,424,816)</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD		<u>(1,139,601)</u>	<u>90,250</u>	<u>(1,049,351)</u>	<u>(1,424,816)</u>

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

All income and expenditure derives from continuing activities.

The notes form part of these financial statements

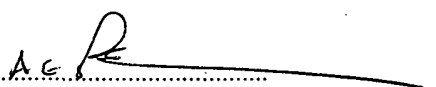
BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2016

	Notes	31.3.16 £	31.3.15 £
FIXED ASSETS			
Tangible assets	10	<u>40,000</u>	<u>-</u>
		40,000	-
CURRENT ASSETS			
Stock	11	39,340	25,871
Debtors	12	159,678	91,125
Cash at bank and in hand		<u>205,407</u>	<u>204,562</u>
		404,425	321,558
CURRENT LIABILITIES			
Amounts falling due within one year	13	<u>(277,776)</u>	<u>(169,374)</u>
NET CURRENT ASSETS		<u>126,649</u>	<u>152,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		166,649	152,184
LONG TERM LIABILITIES			
Amounts falling due after one year	14	<u>(55,000)</u>	<u>(50,000)</u>
NET ASSETS EXCLUDING PENSION DEFICIT		<u>111,649</u>	<u>102,184</u>
PENSION SCHEME DEFICIT	19	<u>(1,161,000)</u>	<u>(1,527,000)</u>
NET LIABILITIES INCLUDING PENSION DEFICIT		<u>(1,049,351)</u>	<u>(1,424,816)</u>
FUNDS			
Unrestricted funds	17	21,399	6,977
Restricted funds	18	90,250	95,207
Pension scheme deficit		<u>(1,161,000)</u>	<u>(1,527,000)</u>
TOTAL FUNDS		<u>(1,049,351)</u>	<u>(1,424,816)</u>

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 for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 11th July 2016 and were signed on its behalf by:



 Mr A Preston
 Chairman

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

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

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

1. ACCOUNTING POLICIES (CONTINUED)

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 Financial Reporting Standard 17.

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.

2. GRANT INCOME

	31.3.16 £	31.3.15 £
Restricted:		
East Lancashire health authority	160,192	167,774
Sport England	114,101	78,411
Arts council	43,025	40,000
Lottery	40,000	80,170
DCLG – arts	40,000	40,000
Lancashire county council	25,400	29,396
Street games	13,500	13,500
Lancashire care	10,930	17,960
Stocks massey	8,000	20,500
Burnley, Pendle and Rossendale CVS	7,500	-
Partner contributions	6,000	18,000
Heritage lottery fund	-	6,800
Other grants – arts in communities	-	4,117
Unrestricted:		
Sponsorship	18,347	10,633
Lottery	17,135	13,537
Lottery matched funding	6,000	6,454
Lancashire county council	5,299	5,800
Sport England	3,751	-
Burnley borough council – reserves from Burnley Leisure division	-	133,648
Burnley borough council – transformational grant	-	40,000
Other grants – arts development	-	2,900
Burnley Leisure matched funding – boathouse	-	2,000
Other grants – active streets	-	1,344
	<u>519,180</u>	<u>732,944</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

3. CHARITABLE ACTIVITIES – OPERATION OF FACILITIES

	31.3.16 £	31.3.15 £
Burnley Borough Council annual contract fee	703,300	971,142
Income from the operation of leisure and arts facilities	<u>2,359,429</u>	<u>1,932,617</u>
	<u>3,062,729</u>	<u>2,903,759</u>

4. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 31.3.16 £	Total 31.3.15 £
Staff costs and allowances	182,937	-	182,937	202,945
Premises expenses	12,990	-	12,990	10,147
Services and supplies	65,889	-	65,889	57,224
Transport expenses	986	-	986	521
Agency and contracted services	22,327	-	22,327	18,483
Business and technical support	<u>24,190</u>	<u>-</u>	<u>24,190</u>	<u>23,473</u>
	<u>309,319</u>	<u>-</u>	<u>309,319</u>	<u>312,793</u>

5. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 31.3.16 £	Total 31.3.15 £
Staff costs and allowances	1,646,432	323,163	1,969,595	2,128,350
Premises expenses	116,906	8,314	125,220	105,620
Supplies and services	593,003	72,839	665,842	576,996
Transport expenses	8,882	1,684	10,566	6,649
Agency and contracted services	200,939	61,605	262,544	180,750
Business and technical support	217,708	6,000	223,708	217,711
Governance costs (see note 6)	<u>5,650</u>	<u>-</u>	<u>5,650</u>	<u>5,650</u>
	<u>2,789,520</u>	<u>473,605</u>	<u>3,263,125</u>	<u>3,221,726</u>

Included in the above are 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.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

6. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total Funds £
Auditors remuneration:				
Audit services	4,900	-	4,900	4,900
Non-audit services	<u>750</u>	<u>-</u>	<u>750</u>	<u>750</u>
	<u>5,650</u>	<u>-</u>	<u>5,650</u>	<u>5,650</u>

7. NET INCOMING RESOURCES

Net resources are stated after charging:

	31.3.16 £	31.3.15 £
Auditors remuneration	5,650	5,650
Depreciation	<u>10,000</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Trustee's Remuneration

During the year remuneration of £28,654 (2015: £25,080) was paid to Miss M Grimes, an employee trustee, in relation to her employment duties. No trustees received remuneration for their roles as trustees for the year ended 31st March 2016 nor for the year ended 31st March 2015.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2016 nor for the year ended 31st March 2015.

9. STAFF COSTS

	31.3.16 £	31.3.15 £
Wages and salaries	1,860,175	1,948,413
Social security costs	96,187	102,762
Other pension costs	<u>178,056</u>	<u>261,967</u>
	<u>2,134,418</u>	<u>2,313,142</u>

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

	31.3.16	31.3.15
Employees	<u>140</u>	<u>146</u>

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

	31.3.16	31.3.15
£60,001 - £70,000	<u>1</u>	<u>-</u>

The above staff member participated in the defined benefit pension scheme. Contributions of £7,586 (2015: £7,475) were made in relation to this individual.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1st April 2015	-
Additions	<u>50,000</u>
At 31st March 2016	<u>50,000</u>
DEPRECIATION	
At 1st April 2015	-
Charge for year	<u>10,000</u>
At 31st March 2016	<u>10,000</u>
NET BOOK VALUE	
At 31st March 2016	<u>40,000</u>
At 31 st March 2015	<u> </u>

11. STOCK

	31.3.16 £	31.3.15 £
Leisure centre stock	3,208	4,916
Bar and catering	<u>36,132</u>	<u>20,955</u>
	<u>39,340</u>	<u>25,871</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16 £	31.3.15 £
Trade debtors	47,946	29,371
Prepayments and accrued income	97,622	47,200
Other debtors	<u>14,110</u>	<u>14,554</u>
	<u>159,678</u>	<u>91,125</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 - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade creditors	68,728	28,618
Taxation and social security	10,209	18,891
Accruals and deferred income	148,188	83,708
Other creditors	<u>50,651</u>	<u>38,157</u>
	<u>277,776</u>	<u>169,374</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	31.3.16	31.3.15
	£	£
Other creditors	<u>55,000</u>	<u>50,000</u>
	<u>55,000</u>	<u>50,000</u>

15. OPERATING LEASE COMMITMENTS

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

	31.3.16	31.3.15
	£	£
Expiry date:		
Between one and five years	<u>11,199</u>	<u>6,504</u>
	<u>11,199</u>	<u>6,504</u>

16. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.16 Total funds	31.3.15 Total Funds
	£	£	£	£
Fixed assets	40,000	-	40,000	-
Current assets	314,175	90,250	404,425	321,558
Current liabilities	(277,776)	-	(277,776)	(169,374)
Long term liabilities	(55,000)	-	(55,000)	(50,000)
Pension scheme deficit	<u>(1,161,000)</u>	-	<u>(1,161,000)</u>	<u>(1,527,000)</u>
	<u>(1,139,601)</u>	<u>90,250</u>	<u>(1,049,351)</u>	<u>(1,424,816)</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

17. UNRESTRICTED FUNDS

	Pension deficit £	General funds £	Designated funds £	Total funds £
Balance at 1 st April 2015	(1,527,000)	(69,067)	76,044	(1,520,023)
Net income / (expenditure)	366,000	62,542	(48,121)	380,421
	<u>(1,161,000)</u>	<u>(6,525)</u>	<u>27,923</u>	<u>(1,139,602)</u>

Purposes of designated funds

The trustees have designated funds to assist in identifying those funds that are not free funds.

General fund

The deficit on the general fund has been explained further in note 22.

18. RESTRICTED FUNDS

	At 1 st April 2015 £	Incoming resources £	Outgoing resources £	At 31 st March 2016 £
Project fund				
Active ageing	7,828	-	(7,828)	-
Active streets	21,992	61,000	(52,608)	30,384
Arts in communities	42,260	40,000	(63,581)	18,679
Cardiac rehab	-	50,000	(50,000)	-
Generation	5,776	-	(4,159)	1,617
Get in 2 golf	-	9,470	(2,292)	7,178
Get in 2 parks	7,544	-	(2,220)	5,324
Get in 2 sport	-	75,511	(75,511)	-
Girls up and active	-	35,120	(23,236)	11,884
Healthy lifestyles	-	101,624	(101,624)	-
MAPS	-	43,025	(33,360)	9,665
Over 50s	-	25,400	(25,400)	-
Stocks massey	-	8,000	(8,000)	-
Stroke rehab	3,007	19,498	(22,505)	-
Thompson park young roots	6,800	-	(1,281)	5,519
	<u>95,207</u>	<u>468,648</u>	<u>(473,605)</u>	<u>90,250</u>

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

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 £178,056 (2015: 261,967) were paid to the scheme.

The following calculations as at 31st March 2016 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method.

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

19. PENSION ARRANGEMENTS (CONTINUED)

Principal actuarial assumptions used by the actuary were as follows:

	31.3.16	31.3.15
	%	%
Rate of CPI inflation	2.10	2.10
Rate of increase in salaries	3.60	3.60
Rate of increase in pensions	2.10	2.10
Discount rate	3.70	3.40
Life expectancy of a male future pensioner aged 65 in 20 years' time	25.20	25.10
Life expectancy of a female future pensioner aged 65 in 20 years' time	27.90	27.80
Life expectancy of a male current pensioner aged 65	23.00	22.90
Life expectancy of a female current pensioner aged 65	25.60	25.40

The amounts recognised in the balance sheet are as follows:

	31.3.16	31.3.15
	£	£
Present value of funded obligations	6,089,000	6,074,000
Fair value of plan assets	(4,928,000)	(4,547,000)
Net pension deficit	<u>1,161,000</u>	<u>1,527,000</u>

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.16	31.3.15
	£	£
Operating charge		
Current service cost	326,000	239,000
Curtailments	-	89,000
Administration expenses	6,000	-
Total operating charge	<u>332,000</u>	<u>328,000</u>

	31.3.16	31.3.15
	£	£
Other finance costs		
Expected return on pension scheme assets	(157,000)	(238,000)
Interest on pension scheme liabilities	<u>205,000</u>	<u>204,000</u>
Net charge / (income)	<u>48,000</u>	<u>(34,000)</u>

	31.3.16	31.3.15
	£	£
Total charge to resources expended in Statement of Financial Activities	<u>380,000</u>	<u>294,000</u>

BURNLEY LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016

19. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.16	31.3.15
	£	£
Actuarial gains / (losses) on assets	67,000	247,000
Actuarial gains / (losses) on liabilities	<u>501,000</u>	<u>(1,265,000)</u>
Actuarial gain / (loss) recognised	<u>568,000</u>	<u>(1,018,000)</u>

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

	31.3.16	31.3.15
	£	£
Opening defined benefit obligation	6,074,000	-
Current service cost	326,000	239,000
Interest on pension scheme liabilities	205,000	204,000
Employee contributions	87,000	94,000
Curtailments	-	89,000
Actuarial (gains)/losses	(501,000)	1,265,000
Business combinations	-	4,183,000
Benefits paid / transfers	<u>(102,000)</u>	<u>-</u>
Closing defined benefit obligations	<u>6,089,000</u>	<u>6,074,000</u>

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

	31.3.16	31.3.15
	£	£
Opening fair value of plan assets	4,547,000	-
Expected return on plan assets	157,000	238,000
Actuarial gains/(losses)	67,000	247,000
Employer contributions	178,000	264,000
Employee contributions	87,000	94,000
Business combinations	-	3,704,000
Administration expenses	(6,000)	-
Benefits paid / transfers	<u>(102,000)</u>	<u>-</u>
Closing fair value of plan assets	<u>4,928,000</u>	<u>4,547,000</u>

The split of assets between investment categories is as follows:

	2016	2016	2015	2015
	£	%	£	%
Equities	1,694,000	34.40	2,242,000	49.30
Government bonds	99,000	2.00	141,000	3.10
Other bonds	99,000	2.00	64,000	1.40
Property	473,000	9.60	459,000	10.10
Cash/liquidity	168,000	3.40	218,000	4.80
Other	<u>2,395,000</u>	<u>48.60</u>	<u>1,423,000</u>	<u>31.30</u>
	<u>4,928,000</u>	<u>100.00</u>	<u>4,547,000</u>	<u>100.00</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2016**

19. PENSION ARRANGEMENTS (CONTINUED)

A full actuarial review of the scheme was undertaken as at 31st March 2016.

Following the full actuarial valuation at 31st March 2016, employer contributions were agreed to stay at a rate of 12.50% with effect from 1st April 2016.

The current estimate of employer contributions for the year ended 31st March 2017 is £178,000. Implied service cost is estimated at £290,000 and a net interest and administration cost at £46,000 resulting in the deficit increasing by an estimated £158,000 to £1,319,000.

20. MEMBERS

The company is a company limited by guarantee but not having a share capital. The liability of every member is limited to an amount not exceeding £1.

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 £703,300 (2015: £1,144,790).

Burnley Borough Council also provides professional services to the charity under a service agreement which amounted to £237,547 (2015: £234,731) in the period.

During the period sales of £12,019 (2015: £6,340) were charged to and expenditure of £53,491 (2015: £10,431) 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 £50,000 (2015: £75,000) 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 £40,000 (2015: £nil) in respect of this loan.

During the year the charity received grants of £7,500 (2015: £9,900) 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) and negative general funds as at 31st March 2016 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 2017.

The trustees are not aware of any other reportable Post Balance Sheet Events at the time of this report.