

Carn Brea Leisure Centre Trust (Limited by Guarantee)

Trustees' Annual Report and unaudited Financial Statements

For the year ended 31 March 2021

Company registration number 03896891
Charity registration number 1079101

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Reference and administrative information

For the year ended 31 March 2021

Charity registration number	1079101
Company registration number	03896891
Registered office and business address	Station Road Pool REDRUTH Cornwall TR15 3QS
Trustees	Mr R Beeching Mr C Hunter Mr N Lake Mr CJ McMellon (appointed 30 January 2020, resigned 24 September 2020) Mr M Moyle Mr C Rowe Mr DH Price - Chair
Accountants	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP
Bankers	Lloyds Bank Plc 27 Fore Street REDRUTH Cornwall TR15 3BJ CCLA Investment Management Limited Senator House 85 Queen Victoria Street LONDON EC4V 4ET Santander UK plc 31 Boscawen Street TRURO Cornwall TR1 2QJ
Solicitors	Foot Anstey High Water House Malpas Road TRURO Cornwall TR1 1QH

Reference and administrative information

For the year ended 31 March 2021

Key Management Personnel	Alex Clifton (Chief Executive Officer) – until 7 June 2020 Alex King (Acting GM – part time secondment) – from September 2020 Simon Hosking (Finance & Resources Manager) – until October 2020 Jenine Williams (Operations Manager) Sharon Christie (Business Administration Manager)
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Trustees' report

For the year ended 31 March 2021

The Trustees of Carn Brea Leisure Centre Trust present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

OBJECTIVES AND ACTIVITIES

• POLICIES AND OBJECTIVES

The objects of the charity, as defined by the Memorandum of Association, are to provide recreational facilities together with education and training in sporting and leisure activities with the object of improving the potential user's condition of life. Such facilities should be available to the public at large irrespective of their youth, age, infirmity, disablement, poverty or social or economic circumstances.

In setting our objectives and planning the activities of the charity the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

• STRATEGIES FOR ACHIEVING OBJECTIVES

The charity has in place a robust business plan and budgets, complemented by creative sales and marketing initiatives to ensure the facilities are fit for purpose and the leisure activities on offer support delivery of the Trust's charitable objectives.

The Trustees and management team use a variety of 'key performance indicators' alongside customer feedback schemes to evaluate and measure how effective the charity is at delivering against its charitable goals.

• ACTIVITIES FOR ACHIEVING OBJECTIVES

The charity's facility comprises: gym, swimming pools, sports hall, group fitness studios, athletics track, squash courts, Cafe, meeting/training/conference rooms and a therapy suite. Utilising the various facilities, the Trust offers a comprehensive, diverse and accessible range of activities to ensure the community's activity needs are met.

A number of initiatives have also been used to engage with the local community and ensure wherever possible that facilities/activities are accessible to all, these have included: GP referral schemes, subsidised swimming sessions, corporate membership schemes and a community sponsor's scheme.

ACHIEVEMENTS AND PERFORMANCE

• REVIEW OF ACTIVITIES

Across the trading year in question the Centre, along with many other similar facilities has had its trading significantly affected by the COVID-19 pandemic and restrictions on its trading from total to partial. In reality the Centre only traded for 4 ½ months of the year.

Trustees' report

For the year ended 31 March 2021

As has already been referred to above the Centre, like many had a difficult, sporadic and testing trading year due to the effects of and responses to the COVID-19 pandemic and the restrictions and allowances involved in the UK Governments response as they gathered data and created a pathway forwards.

Following the initial lockdown, the Centre re-opened its doors in mid July 2020 and then operated with suitable and sufficient controls as deemed necessary through until November 2020 when again a national lockdown was in force. In between times, during the tiered system Cornwall remained low level and trading continued. The facility briefly re-opened again in December before the next national lockdown occurred in Early January and remained in place for the remainder of the trading year.

Whilst a difficult and testing time and with the vast majority of the Centre's employees being supported by the Governments 'furlough' or CJRS scheme, a small team worked behind the scenes to keep communications open, cover matters relating to the estate and customer accounts, seek funding support and indeed manage both the logistical, resource and human challenges created for the facility from closing and re-opening a few times but also from the changing and evolving landscape of restrictions on operations.

Additionally, and as was mentioned in last year's report, the former CEO resigned just prior to the start of lockdown 1 which meant his tenure ceased before the first re-opening in July. The trustees sought additional support in that time though market forces conspired against suitable appointment and support was eventually provided via a part time secondee employed by another Leisure sector trust.

The former Management Accountant also resigned his post late in 2020 and indeed via the seconded 'Acting GM' suitable and sufficient business support contracts were procured and approved by the Trustees' and thankfully in time to be able to operate the payroll remotely during lockdown two with 'on-site' support via a new role for a long serving member of the team as the 'Business Administration Manager' with support via the Acting GM.

The structure referred to above aided and supported by the operations Manager and indeed members of the Board of Trustees have worked to ensure that Carn Brea Leisure Centre Trust was both ready and able to meet the needs of its customer base as and when restrictions were lifted.

• **FUNDRAISING ACTIVITIES/INCOME GENERATION**

Carn Brea Leisure Centre Trust owns 100% of the share capital of Carn Brea Leisure Centre (Trading) Limited, a company incorporated in England and Wales (company no. 04212770). The principal activity of Carn Brea Leisure Centre (Trading) Limited is to operate the commercial activities at Carn Brea Leisure Centre. All taxable profits generated through this trading subsidiary are donated to Carn Brea Leisure Centre Trust.

Across the year in question the Trust had no option other than to dip into its reserves position but also focused on, bid for and indeed was awarded some not insignificant grant funding which aided to ensure its position was as stable one as possible from which it could move forward post pandemic to restart, re-engage and hopefully work toward full integration and recovery post pandemic.

Trustees' report

For the year ended 31 March 2021

FINANCIAL REVIEW

• GOING CONCERN

Whilst the COVID 19 pandemic indeed has had a profound effect on many and certainly a wide reaching one on Leisure provision within Cornwall the core team has worked tirelessly as mentioned above to ensure that the Centre is in as good a position as possible, and indeed perhaps better than anticipated, to weather the storm of COVID 19 and to the point of writing ensure that is in a strong position to trade its way through, and out the other side of the pandemic (as far as can be reasonably judged).

On this basis the Trustees do not foresee that there are any immediate going concern issues and indeed would go as far as to suggest that confidence and strength by consequence of determination and resolve have served to ensure that confidence is significantly better than at this point last year.

The Trust holds limited reserves, and has utilised these when necessary.

The Trustees, Acting GM and Management Team have considered the impact of Covid-19 based on all known current factors and indeed how the Centre has responded to the pandemic, the impact of Covid-19 will undoubtedly continue to have an effect on the performance of the charity in the short and perhaps medium term.

Whilst there is a material uncertainty as a result of the Covid-19 pandemic, the Trustees remain confident that with the support of customers, staff and key stakeholders that the Trust will be able to continue to operate for the foreseeable future based on the information available and projections produced at this time.

As a result the Trustees believe that it is appropriate to continue to prepare the financial statements on the going concern basis.

• FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees have assessed the major risks they have identified and are satisfied that systems are in place to mitigate exposure to these risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• CONSTITUTION

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and it is governed by its Articles of Association.

The company was incorporated under the Companies Act 1985 as a company limited by guarantee and not having share capital. In the event of a winding up, registered members are liable to contribute a sum not exceeding £10 per member towards the debts and liabilities of the Trust and the costs and expenses of winding up.

• METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

New Trustees are recruited based on the skills, knowledge and experience that the Board requires to ensure that the charity is well governed. Trustees are elected by the members of the charity attending the Annual General Meeting or by proxy vote.

Trustees' report

For the year ended 31 March 2021

• **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Following appointment, all new Trustees attend an induction with the Company Secretary. The induction includes provision to them of the following material, our Memorandum and Articles of Association, The Hallmarks of an Effective Charity (CC60), The Essential Trustee (CC3), Charities and Risk Management information, management accounts and operational information.

• **PAY POLICY FOR SENIOR STAFF**

It is essential for Carn Brea Leisure Centre Trust (CBLCT) to have competent and credible leaders at the top of the charity to guide us towards achieving our vision in the most effective and efficient ways; and professional staff at all levels.

Having a competitive salary offering is one of the many ways CBLCT can work to secure the best people to do this important work. CBLCT has pay policies to help us attract and retain great people.

The remuneration committee within the Board of Trustees, led by the Chair, are responsible for defining CBLCT pay policies, particularly our pay grades and processes to determine the salaries of the Chief Executive and the executive team (our senior managers who lead our other staff).

An important pay principle in our pay policies is that our pay grades, salaries and benefits should be proportionate to the complexity of role responsibilities, in line with our charitable objectives and competitive within the UK charity sector.

We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this, we monitor charity sector pay trends through available reputable sources such as charity trade associations.

• **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The centre's structure continues to evolve to reflect the needs of the business, on average we employed between 60 and 80 members of staff primarily from the Camborne, Pool and Redruth community. The team consists of both full time and part time employees. The team is managed by the senior management group, through the departmental and supervisory team leaders.

• **RISK MANAGEMENT**

The Trust takes a pro-active approach to risk management and has a risk management policy in place, which is reviewed annually at the end of each financial year.

As part of developing the risk management policy the Trustees have assessed the major risks and are satisfied that systems are in place to mitigate exposure to these risks. A strand of the risk management policy is to apportion 'reserve' cash funds independent of the fixed assets within the designated fund (£75,474) for the purpose of contingency and at the end of March 2021 the charity held a reserve fund of £10,062 which has been eroded as a result of the trading difficulties faced in the year. The Trust is aiming to increase their general reserve fund going forwards, however, recognises that as a result of the Covid-19 pandemic this will be difficult to achieve in the short term.

Trustees' report

For the year ended 31 March 2021

PLANS FOR FUTURE PERIODS

• FUTURE DEVELOPMENTS

The Trust's short to medium term objective is to deliver an improved and sustainable leisure centre in the CPIR conurbation. Cornwall Council have recently conducted a review of Leisure Facilities within the County which was conducted by SLL on their behalf and whilst we are told found favourable.

INFORMATION ON FUNDRAISING PRACTICES

The Trust did and continues to fund raise across a number of platforms in order to create investment, renewals, new opportunities and provide its services on a continual basis to its existing customer base and endeavour to attract new custom and users.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Carn Brea Leisure Centre Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO EXAMINER

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charitable group's examiner is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant information and to establish that the charitable group's examiner is aware of that information.

Trustees' report

For the year ended 31 March 2021

This report was approved by the Trustees, on 16 December 2021 and signed on their behalf by:

By order of the Board

Station Road
Pool
REDRUTH
Cornwall
TR15 3QS

D Price

Trustee

Independent examiners' report to the trustees of Carn Brea Leisure Centre Trust ("the Group")

I report to the charity trustees on my examination of the consolidated financial statements of the Group comprising the Carn Brea Leisure Centre Trust ('the Trust') and its subsidiary undertaking for the year ended 31 March 2021, which are set out on pages 11 to 30.

Responsibilities and basis of report

As the trustees of the Trust you are responsible for the preparation of the consolidated financial statements of the Group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated financial statements for the Group. You are satisfied that the financial statements of both the Trust and the Group are not required by company and charity law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the consolidated financial statements. I have carried out my examination under section 145 of the 2011 Act. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Trust as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Independent examiners' report to the trustees of Carn Brea Leisure Centre Trust
("the Group") - continued

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Mark Williams FCA DChA

Chartered Accountant

RRL LLP
Peat House
Newham Road
TRURO
TR1 2DP

16 December 2021

Consolidated statement of financial activities (incorporating income and expenditure account)

For the year ended 31 March 2021

		Unrestricted funds		Restricted funds	Total funds	Total funds
		General fund	Designated fund		2021	2020
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	2	567,575	-	-	567,575	42,710
Charitable activities	5	352,902	-	-	352,902	1,599,805
Other trading activities	3	21,411	-	-	21,411	95,423
Investments	4	290	-	-	290	1,989
Total income		942,178	-	-	942,178	1,739,927
Expenditure on:						
Raising funds	3	11,271	-	-	11,271	31,542
Charitable activities	6	1,242,374	-	47,634	1,290,008	1,722,547
Total expenditure		1,253,645	-	47,634	1,301,279	1,754,089
Net expenditure before transfers		(311,467)	-	(47,634)	(359,101)	(14,162)
Transfers between funds		183,734	(183,734)	-	-	-
Net movement in funds		(127,733)	(183,734)	(47,634)	(359,101)	(14,162)
Total funds brought forward		137,795	259,208	609,875	1,006,878	1,021,040
Total funds carried forward		10,062	75,474	562,241	647,777	1,006,878

The notes on pages 14 to 30 form part of these financial statements.

Consolidated and company balance sheet

As at 31 March 2021

	Notes	The Group 2021 £	2020 £	The Charity 2021 £	2020 £
Fixed assets					
Tangible assets	12	1,470,070	1,675,506	1,458,032	1,658,250
Investments	13	-	-	10	10
		<u>1,470,070</u>	<u>1,675,506</u>	<u>1,458,042</u>	<u>1,658,260</u>
Current assets					
Stocks	14	8,845	10,536	8,738	10,429
Debtors	15	71,086	61,871	77,083	69,175
Cash at bank and in hand		187,481	277,646	178,349	269,582
		<u>267,412</u>	<u>350,053</u>	<u>264,170</u>	<u>349,186</u>
Creditors: amounts falling due within one year	16	<u>(293,908)</u>	<u>(300,802)</u>	<u>(284,278)</u>	<u>(286,760)</u>
Net current (liabilities)/assets		<u>(26,496)</u>	<u>49,251</u>	<u>(20,108)</u>	<u>62,426</u>
Total assets less current liabilities		<u>1,443,574</u>	<u>1,724,757</u>	<u>1,437,934</u>	<u>1,720,686</u>
Creditors: amounts falling due after more than one year	19	<u>(795,797)</u>	<u>(717,879)</u>	<u>(795,797)</u>	<u>(717,879)</u>
Net assets	20	<u>647,777</u>	<u>1,006,878</u>	<u>642,137</u>	<u>1,002,807</u>
Charity funds					
Restricted funds	19	562,241	609,875	562,241	609,875
Unrestricted funds	19				
- Designated funds		75,474	259,208	75,474	259,208
- General fund		10,062	137,795	4,422	133,724
Total funds		<u>647,777</u>	<u>1,006,878</u>	<u>642,137</u>	<u>1,002,807</u>

The company (and group) is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 March 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Directors' responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These financial statements were approved and authorised for the issue of the Trustees on 16 December 2021 and signed on their behalf by:

D Price
Trustee

These notes on pages 14 to 30 form part of these financial statements.
Company registration no.: 03896891

Consolidated statement of cash flows

For the year ended 31 March 2021

		2021 £	2020 £
	Note		
Cash flows from operating activities			
Net cash (utilised)/provided by operating activities	22	(114,471)	212,092
Cash flows from investing activities:			
Dividends, interest and rents from investments		290	1,975
Purchase of tangible fixed assets		(17,691)	(306,672)
Interest payable on borrowings		(34,225)	(34,057)
Net cash used in investing activities		(51,626)	(338,754)
Cash flows from financing activities:			
Repayments of borrowings		-	(72,802)
Cash inflows from new borrowing		75,932	200,000
Net cash provided by financing activities		75,932	127,198
Change in cash and cash equivalents in the year		(90,165)	536
Cash and cash equivalents brought forward		277,646	277,110
Cash and cash equivalents carried forward	23	187,481	277,646

Notes

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared 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 (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Carn Brea Leisure Centre Trust 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.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Basis of consolidation

The financial statements consolidate the financial statements of Carn Brea Leisure Centre (Trading) Limited its subsidiary undertaking.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The Carn Brea Leisure Centre Trust individual SOFA shows total income of £454,662, total expenditure of £811,103 and a net movement in funds of (£356,441).

1.3 Company status

Carn Brea Leisure Centre Trust is a company limited by guarantee incorporated in England and Wales and accordingly does not have any share capital. Every member undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

These financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financials statements are rounded to the nearest £.

The registered office is disclosed within the reference and administrative details of the company, on page 1.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

1.4 Fund accounting (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

1.6 Expenditure (continued)

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Going concern

The Covid-19 pandemic continues to create challenges for all in the leisure industry, the Trust has taken swift action to ensure that the facilities continue to be available to customers having taken all necessary steps to protect both users and staff. Costs continue to be controlled carefully and grants have been claimed wherever possible (particularly in respect of the Job Retention Scheme).

The Trust ultimately aims to be able to return to pre Covid levels of income, and whilst there is uncertainty over when this will be achievable, loan funding has been obtained in order that the Trust can continue to operate.

Whilst there is an element of uncertainty as to when the Trust will return to pre Covid income levels, the Trustees remain confident that with the support of customers, staff and key stakeholders that the charity will be able to continue to operate for the foreseeable future based on the information known at this time. As a result the Trustees believe that it is appropriate to continue to prepare these financial statements on the going concern basis.

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	- Over life of lease (5-25 years)
Plant and machinery	- 10-33% straight line
Fixtures and fittings	- 10-33% straight line
Computer equipment	- 20-50% straight line

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.11 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.12 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.14 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.15 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.16 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

1.17 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.18 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.19 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.20 Critical accounting estimates and judgements

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Notes

(forming part of the financial statements)

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations	272	-	272	6,710
Grants:				
- Cornwall Council	21,589	-	21,589	-
- HMRC – Job Retention Scheme	477,214	-	477,214	-
- Growth Fund Business Support	5,500	-	5,500	-
- Big Issue Invest	63,000	-	63,000	-
- Changing Places Project	-	-	-	36,000
Total donations and legacies	567,575	-	567,575	42,710
Total 2020	-	42,710	42,710	42,710

HMRC grants included within the above have been received totalling £477,214 (2020: Nil) to assist with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

3 Trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Trading income				
Trading income	21,411	-	21,411	95,423
Fundraising trading expenses				
Trading expenses (including depreciation)	11,271	-	11,271	31,542
Net income from trading activities	10,140	-	10,140	63,881

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Bank interest receivable	290	-	290	1,989
Total 2020	1,989	-	1,989	

Notes

*(forming part of the financial statements)***5 Income from charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Operation of the leisure centre	352,902	-	352,902	1,599,805
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2020	1,599,805	-	1,599,805	
	<u> </u>	<u> </u>	<u> </u>	

Operation of the leisure centre income can be summarised as follows:

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Rent receivable	1,584	-	1,584	10,445
Gym income	198,770	-	198,770	704,969
Pool and sports activities	146,012	-	146,012	704,641
Catering and refreshments income	1,146	-	1,146	111,466
Sales of sports goods	1,765	-	1,765	16,182
Other activities	3,625	-	3,625	52,102
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	352,902	-	352,902	1,599,805
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Operation of the leisure centre	1,242,374	38,961	1,281,335	1,713,874
Operation of the Hub Club project	-	8,673	8,673	8,673
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,242,374	47,634	1,290,008	1,722,547
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2020	1,683,455	39,092	1,722,547	
	<u> </u>	<u> </u>	<u> </u>	

Notes

(forming part of the financial statements)

7 Direct costs

	Operation of the leisure centre £	Operation of the Hub Club project £	Total 2021 £	Total 2020 £
Cost of sales	9,333	-	9,333	73,478
Leasing and equipment rental costs	3,494	-	3,494	6,837
Cleaning and waste removal	5,424	-	5,424	17,997
Repairs and renewals	22,591	-	22,591	53,956
Other staff costs	-	-	-	7,563
Printing, postage and stationery	2,805	-	2,805	6,579
Health and safety	3,547	-	3,547	7,297
ICT system expenses	2,321	-	2,321	8,565
Sundry expenses	-	-	-	170
Staff training	146	-	146	-
Premises costs	128,299	-	128,299	201,552
Loss on sales of assets	-	-	-	27,540
Irrecoverable VAT	30,546	-	30,546	56,466
Bank charges and interest	36,259	-	36,259	41,999
Licenses and subscriptions	14,961	-	14,961	27,575
Legal and professional	10,509	-	10,509	15,547
Bookkeeping	7,128	-	7,128	-
Advertising and marketing	537	-	537	6,086
Wages and salaries	740,931	-	740,931	887,183
National insurance	36,943	-	36,943	43,982
Pension cost	10,974	-	10,974	13,077
Depreciation	209,236	8,673	217,909	215,848
	<u>1,275,984</u>	<u>8,673</u>	<u>1,284,657</u>	<u>1,719,297</u>
Total 2020	<u>1,710,624</u>	<u>8,673</u>	<u>1,719,297</u>	

8 Support and governance costs

	Operation of the leisure centre £	Total 2021 £	Total 2020 £
Auditors' / Independent Examiners remuneration	5,350	5,350	3,250
	<u>5,350</u>	<u>5,350</u>	<u>3,250</u>
Total 2020	<u>3,250</u>	<u>3,250</u>	

Notes

(forming part of the financial statements)

9 Turnover

The whole of the turnover is attributable to leisure activities along with education and training in these activities.

All turnover arose within the United Kingdom.

10 Net expenditure

This is stated after charging:

	2021 £	2020 £
Depreciation	223,127	220,726

During the year, no Trustees received any remuneration (2020: £Nil).

During the year, no Trustees received any benefits in kind (2020: £Nil).

During the year, no Trustees received any reimbursement of expenses (2020: £Nil).

11 Staff costs

	2021 £	2020 £
Wages and salaries	740,931	887,183
Social security costs	36,943	43,982
Other pension costs	10,974	13,077
	788,848	944,242

The average monthly numbers of persons employed by the company during the year was as follows:

	2021	2020
Full and part time employees	69	85

Average headcount expressed as a full time equivalent:

	2021	2020
Management	2	3
Administrative	3	2
Operational - Charity	20	39
Operational - Trading	1	1
	26	45

No employee received remuneration amounting to more than £60,000 in either year.

Total key management personnel remuneration was £90,451 (2020: £112,365)

Notes

(forming part of the financial statements)

12 Tangible fixed assets

Group	Short-term leasehold Property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2020	1,647,414	531,617	670,637	2,849,668
Additions	3,500	14,191	-	17,691
At 31 March 2021	1,650,914	545,808	670,637	2,867,359
Depreciation				
At 1 April 2020	538,251	273,903	362,008	1,174,162
Charge for the year	87,511	58,026	77,590	223,127
At 31 March 2021	625,762	331,929	439,598	1,397,289
Net book value				
At 31 March 2021	1,025,152	213,879	231,039	1,470,070
At 31 March 2020	1,109,163	257,714	308,629	1,675,506
Company	Short-term leasehold Property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2020	1,647,414	527,498	632,868	2,807,780
Additions	3,500	14,191	-	17,691
At 31 March 2021	1,650,914	541,689	632,868	2,825,471
Depreciation				
At 1 April 2020	538,251	270,276	341,003	1,149,530
Charge for the year	87,511	57,569	72,829	217,909
At 31 March 2021	625,762	327,845	413,832	1,367,439
Net book value				
At 31 March 2021	1,025,152	213,844	219,036	1,458,032
At 31 March 2020	1,109,163	257,222	291,865	1,658,250

Notes

(forming part of the financial statements)

13 Fixed asset investments

	Shares in group undertaking £	
Company		
Carrying value at cost		
As at 1 April 2020 and 31 March 2021		10
<hr/>		
Carn Brea Leisure Centre (Trading) Limited		
	2021	2020
	£	£
Summary profit and loss account for the year ended 31 March 2021		
Turnover	21,411	98,386
Cost of sales	(11)	(3,349)
	<hr/>	<hr/>
Gross profit	21,400	95,037
Administrative expenses	(11,260)	(28,193)
Other operating income	-	154
Interest receivable	3	14
Donation to parent	(8,574)	(76,861)
	<hr/>	<hr/>
Result for the year	1,569	(9,849)
	<hr/>	<hr/>
Balance sheet as at 31 March 2021		
Tangible fixed assets	12,038	17,256
Current assets	18,835	16,945
Creditors falling due within one year	(25,223)	(30,120)
	<hr/>	<hr/>
Aggregate share capital and reserves	5,650	4,081
	<hr/>	<hr/>

Carn Brea Leisure Centre Trust owns 100% of the share capital of Carn Brea Leisure Centre (Trading) Limited, a company incorporated in England and Wales (company no. 04212770). The principal activity of Carn Brea Leisure Centre (Trading) Limited is to operate the commercial activities at Carn Brea Leisure Centre. The registered office of Carn Brea Leisure Centre (Trading) Limited is the same as Carn Brea Leisure Centre Trust.

14 Stocks

	2021	Group	2021	Company
Group and company	£	2020	£	2020
		£		£
Finished goods and goods for resale	8,845	10,536	8,738	10,429
	<hr/>	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

15 Debtors

	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors	10,630	17,526	1,824	9,615
Amounts owed by group undertakings	-	-	15,593	16,078
Prepayments and accrued income	60,456	44,345	59,666	43,482
	<u>71,086</u>	<u>61,871</u>	<u>77,083</u>	<u>69,175</u>

16 Creditors: amounts falling due within one year

	2021 £	Group 2020 £	2021 £	Company 2020 £
Other loans	86,558	88,544	86,558	88,544
Trade creditors	47,222	27,456	47,162	26,937
Other taxation and social security	39,423	14,542	37,367	13,023
Other creditors	2,074	3,452	2,074	3,452
Accruals and deferred income	118,631	166,808	111,117	154,804
	<u>293,908</u>	<u>300,802</u>	<u>284,278</u>	<u>286,760</u>

Deferred income comprises booking fees from clubs and schools received in advance, bi-annual and annual gym memberships received in advance and advance payments for swim school courses.

Deferred income

	Group £	Company £
Deferred income at 1 April 2020	104,993	96,090
Resources deferred during the year	67,950	62,232
Amounts released from previous years	(104,993)	(96,090)
	<u>67,950</u>	<u>62,232</u>
Deferred income as at 31 March 2021	67,950	62,232

17 Financial instruments

	2021 £	Group 2020 £	2021 £	Company 2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	10,630	17,526	1,824	9,614
	<u>10,630</u>	<u>17,526</u>	<u>1,824</u>	<u>9,614</u>
Carrying amount of financial liabilities				
Measured at amortised cost	929,577	833,879	929,517	833,360
	<u>929,577</u>	<u>833,879</u>	<u>929,517</u>	<u>833,360</u>

Notes

(forming part of the financial statements)

18 Creditors: amounts falling due after more than one year

	2021 £	Group 2020 £	2021 £	Charity 2020 £
Other loans	795,797	717,879	795,797	717,879

Other loans include aggregate amounts of £635,859 (2020: £531,247) which fall due after five years and are repayable by instalments.

The payment terms and interest rate of each creditor are: the loans from Cornwall Council are repayable over a term of 18 and 19 years and both carry an interest rate of 4%, the loans from Big Issue Invest are repayable over 7 years and carry an interest rate of 7.5%, the Santander bounce back loan is repayable over 6 years and carries an interest rate of 2.5%.

Other loans are secured by fixed charge and a floating charge over the charity's assets.

19 Statement of funds – current year

	Balance as at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance as at 31 March 2021 £
Designated funds					
Capital fund	259,208	-	-	(183,734)	75,474
General funds	137,795	942,178	(1,253,645)	183,734	10,062
Total unrestricted funds	397,003	942,178	(1,253,645)	-	85,536
Restricted funds					
Hub Club project	94,028	-	(8,673)	-	85,355
Sport England – Club House	37,929	-	(5,419)	-	32,510
Sport England – Pool					
Refurbishment	443,750	-	(25,000)	-	418,750
Changing Places project	34,168	-	(8,542)	-	25,626
	609,875	-	(47,634)	-	562,241
Total of funds	1,006,878	942,178	(1,301,279)	-	647,777

Notes

(forming part of the financial statements)

19 Statement of funds (continued)

Statement of funds – prior year

	Balance as at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance as at 31 March 2020 £
Designated funds					
Capital fund	323,076	-	-	(63,868)	259,208
General funds	83,165	1,697,217	(1,706,455)	63,868	137,795
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	406,241	1,697,217	(1,706,455)	-	397,003
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Hub Club project	102,701	-	(8,673)	-	94,028
Sport England – Club House	43,348	-	(5,419)	-	37,929
Sport England – Pool					
Refurbishment	468,750	-	(25,000)	-	443,750
Changing Places project	-	42,710	(8,542)	-	34,168
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	614,799	42,710	(47,634)	-	609,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	1,021,040	1,739,927	(1,754,089)	-	1,006,878
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Summary of funds – current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance as at 31 March 2021 £
Designated funds	259,208	-	-	(183,734)	75,474
General funds	137,795	942,178	(1,253,645)	183,734	10,062
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	397,003	942,178	(1,253,645)	-	85,536
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds	609,875	-	(47,634)	-	562,241
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,006,878	942,178	(1,301,279)	-	647,777
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

19 Statement of funds (continued)

Summary of funds – prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance as at 31 March 2020 £
Designated funds	323,076	-	-	(63,868)	259,208
General funds	69,245	1,697,217	(1,706,455)	63,868	137,795
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	392,321	1,697,217	(1,706,455)	-	397,003
Restricted funds	614,799	42,710	(47,634)	-	609,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,007,120	1,739,927	(1,754,089)	-	1,006,878
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Purpose of unrestricted funds

The designated capital fund has been created in the year to recognise the Trust's own reserves that are held in non-cash capital items that cannot readily be converted into cash.

Purpose of restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor.

Funds restricted for the Athletics track were provided for the cost of maintenance and upkeep of the running track facility. This fund has been fully spent for the purposes intended.

The Hub Club Project comprises the grant funded building used to promote grass roots sports clubs. The building is also rented out as a meeting space.

The Sport England - Club House fund represents the costs of the Club House funded by a Sport England capital grant.

The Sport England - Pool Refurbishment fund represents the costs of refurbishing the pool which was funded by a Sport England capital grant. Should the asset be disposed of, or if the charity ceases to operate then this funding may become repayable. Sport England hold a charge in respect of this.

Changing Places project – funding obtained towards the Changing Places facilities at the Centre.

The trustees believe that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions.

Notes

(forming part of the financial statements)

20 Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted funds	Restricted funds	Total funds 2021 £
	£	£	£
Tangible fixed assets	907,829	562,241	1,470,070
Current assets	267,412	-	267,412
Creditors due within one year	(293,908)	-	(293,908)
Creditors due in more than one year	(795,797)	-	(795,797)
	<hr/>	<hr/>	<hr/>
	85,536	562,241	647,777
	<hr/>	<hr/>	<hr/>

Analysis of net assets between funds – prior year

	Unrestricted funds	Restricted funds	Total funds 2020 £
	£	£	£
Tangible fixed assets	1,065,631	609,875	1,675,506
Current assets	350,053	-	350,053
Creditors due within one year	(289,527)	-	(289,527)
Creditors due in more than one year	(729,154)	-	(729,154)
	<hr/>	<hr/>	<hr/>
	397,003	609,875	1,006,878
	<hr/>	<hr/>	<hr/>

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(359,101)	(14,162)
Adjustment for:		
Depreciation charges	223,127	220,726
Interest paid	34,225	34,057
Dividends, interest and rents from investments	(290)	(1,975)
Loss on the sale of fixed assets	-	27,540
Decrease/(increase) in stocks	1,691	(750)
(Increase)/Decrease in debtors	(9,215)	8,540
(Decrease) in creditors	(4,908)	(61,884)
	<hr/>	<hr/>
Cash (utilised)/generated from operating activities	(114,471)	212,092
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

22 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	187,481	277,640

23 Pension commitments

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the fund and amounted to £10,974 (2020: £13,077). The outstanding contributions at the year end was £1,846 (2020: £2,747).

24 Operating lease commitments

At 31 March 2021 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Group and company		
Within 1 year	2,768	2,768
Between 1 and 5 years	3,957	6,725
Total	6,725	9,493

25 Related party transactions

Carn Brea Leisure Centre (Trading) Limited, a trading subsidiary, made a gift aid donation of £8,574 (2020: £76,861) to the Trust during the year. Included within debtors due within one year is an amount of £15,593 (2020: £16,078) owed to the Trust by Carn Brea Leisure Centre (Trading) Limited. During the year the Trust recharged its subsidiary £255 (2020: £14,310) for wages and salary costs.

26 Controlling party

The ultimate controlling parties are the Trustees of the company as shown on page 1.