HYNDBURN LEISURE

England & Wales · Charity number 1090528

Details

Other names	LEISURE IN HYNDBURN
Status	Registered
Legal form	Charitable company
Company number	04270411
Registered	2002-02-11
Register	View on the Charity Commission register

Contact

Address	Hyndburn Leisure Town Hall Blackburn Road Accrington BB5 1LA
Phone	07867784845
Email	lyndsey.sims@hyndburnleisure.co.uk
Website	www.hyndburnleisure.co.uk

Activities

Objects: TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION FOR THE GENERAL PUBLIC IN OR IN CONNECTION WITH THE BOROUGH OF HYNDBURN AND ITS NEIGHBOURHOOD IN THE INTERESTS OF SOCIAL WELFARE BY IMPROVING CONDITIONS OF LIFE

Activities: The charity provides for the local community and visitors to Hyndburn: sport and recreation facilities; classes, courses and events; bookable facilities for clubs, groups and voluntary organisations; information centre and programme of concerts and events.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Arts/culture/heritage/science, Amateur Sport, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE BOROUGH OF HYNDBURN AND ITS NEIGHBOURHOOD
- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,851,114	£5,905,154	£796,875	160
2024-03-31	£5,475,857	£6,109,489	£-375,085	161
2023-03-31	£4,583,647	£5,712,461	£-380,453	157
2022-03-31	£3,664,924	£4,112,159	£-4,249,639	133
2021-03-31	£2,719,579	£2,900,046	£-5,003,404	133

Trustees

Name	Role	Appointed
CIARAN WELLS	Chair	2014-06-10
ANNE ELLWOOD		
Azad Brepotra		2025-09-26
John Leaver		2025-09-26
Liz Keane		2025-09-26
Marie Demaine		2014-08-28
Melissa Fisher		2025-05-27
Richard Swanney		2025-09-26
Ruby Ali		2025-09-26
Steven Tanti		2025-12-11

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HYNDBURN LEISURE

England & Wales - Charity number 1090528

Accounts

REGISTERED COMPANY NUMBER: 04270411 (England and Wales)
REGISTERED CHARITY NUMBER: 1090528

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

FOR

HYNDBURN LEISURE

(A COMPANY LIMITED BY GUARANTEE)

Hyndburn Leisure

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31ST MARCH 2025

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HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2025

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 2025. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04270411 (England and Wales)

Registered Charity number
1090528

Registered office
Accrington Town Hall
Blackburn Road
Accrington
Lancashire
BB5 1LA

Trustees
Ciaran Wells – Chair
Irene Ryan
Anne Ellwood
Marie Demaine
Peter Baron
Melissa Fisher (Appointed 27th May 2025)
Loraine Cox
Azad Brepotra (Appointed 26th September 2025)
John Leaver (Appointed 26th September 2025)
Ruby Ali (Appointed 26th September 2025)
Liz Keane (Appointed 26th September 2025)
Richard Swanney (Appointed 26th September 2025)

Key Management Personnel	**Position**
Lyndsey Sims	Chief Executive
Joanne Mortimer	Head of Operations & Strategic Projects
Linda Horsfield	Head of Health & Community Development
Tina McNiff	Head of Corporate Services

Company Secretary
Lyndsey Sims

FOREWORD BY CHAIR

Welcome to Hyndburn Leisure's Annual Report for the financial year 2024/25. This report provides an overview of our activities, highlights key achievements, and sets out our priorities for the year ahead. It reflects not just what we have delivered, but the values, commitment, and community spirit that continue to drive our organisation forward.

In recent years, Hyndburn Leisure has achieved a significant amount. We have developed new services to support healthier and more active lifestyles, delivered the Hyndburn Hub through the pandemic, and successfully transitioned to subsidy-free leisure operations. Alongside this, we have embarked on a major leisure transformation project with Hyndburn Borough Council and taken steps to reduce our environmental impact—all within the wider context of a global health crisis and an evolving financial landscape.

The last few years have presented considerable challenges. External pressures, including rising operational and energy costs, have meant that the charity has required a subsidy from Hyndburn Borough Council to continue operating all facilities and programmes. Our ambition for the next two years is clear: to work steadily towards returning towards zero subsidy while ensuring that essential local services remain accessible and sustainable.

While we are proud of our progress, we know that it is the stories and people behind the achievements that truly matter. Stories of inclusion, engagement, and personal transformation. Small steps that lead to healthier lifestyles, greater confidence, or renewed social connection. These stories—shared by individuals and families across our borough—are what inspire our team every day.

Hyndburn is a vibrant, diverse place to live and work, but it is also a community facing real challenges. As one of the most deprived local authority in England, with low cultural engagement and almost one in three adults living inactive lives, the need for accessible, community-led health and wellbeing services has never been greater. Our Trust has a vital role to play in addressing these inequalities.

As a charitable organisation, every penny we make is reinvested back into our community. We do not have shareholders, nor do we operate as a private business. Instead, we work closely with Hyndburn Borough Council, a range of partners, and our local communities to deliver services that people want and need. We are proudly governed by a Board of Trustees—local individuals who volunteer their time to guide and support the Trust in pursuit of its mission.

None of our achievements would be possible without the passion, dedication, and professionalism of our staff. Our colleagues remain our greatest asset, consistently going above and beyond to deliver high-quality services and warm, welcoming experiences for our customers. I would like to extend my sincere thanks to each member of the team.

As we reflect on the last year, we do so with pride in how far we have come and a renewed commitment to the journey ahead. With the support of our people, our partners, and our community, we are confident in our ability to navigate challenges, embrace opportunities, and continue making a meaningful and lasting impact on the health and wellbeing of Hyndburn's residents.

Ciaran Wells (Dec 18, 2025 08:57:27 GMT)

Chair – Ciaran Wells

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hyndburn Leisure is both a registered charity and a company limited by guarantee; governed by its Articles of Association. The trustees delegate the day-to-day management to the Chief Executive, Lyndsey Sims.

The Trust adheres to the Nolan rules for Standards in Public Life. Whilst undertaking a review of governance, the Trustees have also reviewed the recommendations in "Good Governance, A Code for the Voluntary and Community Sector" and do not believe the Trust has any standards at variance with that code which require disclosure. The Trust's ethical policy is;

"All delegations must be exercised in accordance with the law and having regard to any lawful direction and/or guidance subsequently issued by Parliament and/or any other appropriate funding body.

Furthermore, all HR and people issues will be handled fairly, consistently and in accordance with relevant legislation, ACAS Codes of Practice and Chartered Institute of Personnel & Development (CIPD) advice and best practice."

Directors and Trustees

The directors of the limited company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Recruitment and appointment of new Trustees

As set out in the Articles of Association, the Chair of the Trustees is nominated by the members of the Board of Trustees. The Board of Trustees comprises a minimum of five Trustees and a maximum of fifteen.

The Charity aims to maintain a broad range of skills on the Board of Trustees to contribute to the success of the Charity. The composition of the Board of Trustees may include two trustees appointed by Hyndburn Borough Council and persons from time to time employed by the charity may collectively appoint one person as a trustee.

Trustees Induction and Training

New Trustees undergo orientation sessions and receive literature and training to provide them with an understanding of their legal obligations under both charity and company law, the content of the Articles of Association, the committee and decision making process, the business plan and recent financial performance of the Charity. The Trust also seeks to identify appropriate training and update sessions for the Trustee's.

Retirement of Trustees

Appointed trustees shall stay in office until such time as they retire or are removed in accordance with the Articles.

Board meetings

The trustees meet every three months. There is also a sub-committee which covers resource management including finance and corporate performance that meets every three months prior to each board meeting.

Indemnity Insurance

During the year the charity maintained indemnity insurance for the Trustees and senior staff to indemnify them against the consequences of unintentional neglect or default on their part.

Related parties
The Trust has a close relationship with Hyndburn Borough Council (Council) for whom it manages the borough's sports leisure and culture facilities and two community centres. Council facilities include; Hyndburn Leisure Centre, Mercer Hall Leisure Centre, The Cath Thorn Leisure Centre, Accrington Town Hall, Wilson's Playing Fields Athletics track, Bank Mill House and Oswaldtwistle West End. The facilities estate includes; one swimming pool, two state-of-the-art gyms, a soft play centre, two thermal suites, three squash courts and an events and entertainment venue.

There are two Council nominated trustee on the Board. In addition, the Chief Executive of the Trust has regular meetings with the Executive Director (Resources), who is the Trust's liaison, who also attends Board meetings.

Risk management
The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Pay and Remuneration
Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects, Head of Corporate Services and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £190,130 (2024: £159,908), in addition, employer pension contributions of £30,657 (2024: £23,006) were paid in respect of their services

OBJECTIVES AND ACHIEVEMENTS
Hyndburn Leisure (HL) is a company limited by guarantee with charitable status. It was formed in 2002 to manage the borough's sport and leisure facilities and in 2005 also took on the Council's Arts & Entertainment facilities and community buildings.

HL's objects as stated in its governing document are:

"the provision or assisting in the provision of facilities for recreation or other leisure time occupation for the general public in or in connection with the Borough of Hyndburn and its neighbourhood in the interests of social welfare by improving conditions of life"

In planning and delivering its action plan Trustees have considered Charity Commission guidance relating to public benefit, including the setting of affordable fees and charges and ensuring that programmes and activities meet charitable objectives.

OBJECTIVES AND ACHIEVEMENTS

Key areas of activity

The Trust seeks to provide accessible and affordable sports, leisure, arts and cultural activities to every member of the Hyndburn community, irrespective of age, background or ability.

We further our charitable objectives by operating in the following key areas:

- The Leisure Activity Passport scheme offers significantly reduced admission charges to a wide range of individuals who are on limited incomes, including those who are unemployed, receiving Council Tax or Housing Benefit, those receiving Income Support or Job seekers Allowance, students and those receiving Working Tax Credit.
- The Leisure Activity Passport also provides reduced admission for key priority groups including Hyndburn residents over 60 years of age and the registered disabled (including FREE access to carers).
- Our Swimming Programme offers reduced rate swimming for 4 to 16 year olds during school holiday periods.
- Senior citizens and children receive concessionary rates on the purchase of tickets for our sport and leisure activities and entertainment programme. In addition, free use is offered to children participating in themed activities and events.
- Use of our public halls and community facilities is made available to charitable and non-profit making groups at concessionary rates. We also offer free use for certain categories of users.
- Our Health & Wellbeing services support our communities to improve their health outcomes. The team work in the heart of our communities, workplaces and schools, using their expert knowledge and experience in supporting positive lifestyle changes.
- Free access to leisure provision for armed forces personnel.
- Free access to leisure facilities and financial support for talented athletes.

We want to help our community feel healthier, more active, and more connected. This takes many forms—from learning an essential life skill like swimming, to joining friends for an exercise class, or simply finding joy and confidence through movement. Alongside Accrington Town Hall and our community centres, which together host a diverse programme of cultural, social, and educational activities, we are creating spaces where people can learn, celebrate, and build meaningful connections. Through these facilities and programmes, we continue to support residents of all ages to lead healthier, happier, and more connected lives.

ACHIEVEMENTS AND PERFORMANCE

At Hyndburn Leisure, our mission is rooted in improving the health, wellbeing, and connectedness of our community. Over the past year, we have strengthened our impact across leisure, culture, and health—providing services shaped by a deep understanding of the people we serve. From swimming lessons and fitness programmes to creative activities, wellbeing initiatives, and community-led events, our offer continues to support healthier, happier, and more connected lives.

Our services are intentionally designed to feel welcoming, inclusive, and empowering. Whether someone is learning a life skill like swimming, building fitness and confidence, exploring creativity, or taking part in a wellbeing programme, they are supported by skilled teams who place people at the centre of everything they do. This people-first approach is backed by our commitment to listening and adapting; we shape our services around real-life needs and aspirations, ensuring relevance and accessibility.

This year, we made significant progress in enhancing how we communicate and connect with our customers. The launch of our new, user-friendly mobile app has given customers greater flexibility to manage bookings, memberships, and information on the go. Complementing this, our newly established contact centre has transformed customer engagement—achieving a 72% increase in call response rates and enabling faster, more effective support. These developments have greatly improved customer experience and strengthened our relationships with users.

We also continued to embed sustainability across our operations. Through energy-efficient upgrades, waste reduction initiatives, and stronger partnerships with environmentally responsible suppliers, sustainability is now a core component of our decision-making processes. From procurement through to programme design, we are ensuring our impact benefits both people and the planet.

Partnership working remains central to our ability to drive meaningful change. Over the past year, we worked closely with leisure trusts, community organisations, local authorities, funders, and public health partners to co-design initiatives that address the root causes of poor health. Through projects such as Hyndburn Way and Let's Move Hyndburn, we strengthened community partnerships and delivered programmes informed by local insight and lived experience.

We are proud to highlight a number of key achievements from 2024–2025:

- • Co-produced a new Active Environment Strategy for Hyndburn, including the development of a new Green Social Prescribing service in partnership with the Primary Care Network and Hyndburn & Rossendale CVS.
- • Shared learning from the Hyndburn Way project at national platforms, including King's Fund, New Local, and National Lottery conferences.
- • Secured investment for Phase 1 of Mercer Hall redevelopment, through close collaboration with the Mercer Hall Repurposing Group.

To support continuous improvement across our organisation, we continued to strengthen systems, processes, and digital capability. This investment enabled improved operational efficiency, reduced manual workload, and enhanced data analysis—allowing us to make more informed decisions and tailor services more effectively. As a result, we saw an 11% increase in income from fees and charges and delivered £223,000 in in-year savings and growth initiatives, demonstrating strong financial stewardship alongside strategic investment.

Our impact is reflected in the strong engagement across our facilities and programmes. In 2024–2025, we recorded 611,941 attendances, with total reach estimated at more than 1 million attendances when including family members and supporters. This level of engagement highlights the essential role we play in supporting the health, wellbeing, and social connectedness of residents across the borough.

At the centre of all our achievements is our dedicated workforce. Our staff have once again demonstrated resilience, compassion, and unwavering commitment—supporting people to learn new skills, improve their health, enhance their mental wellbeing, build friendships, and enjoy creative experiences. Their professionalism and passion remain the driving force behind our positive impact.

The Future

As we look to the year ahead, our focus is firmly on building on the strong foundations of 2024–2025 and continuing to evolve our offer in line with community needs. Our ambition is to raise standards, deepen our impact, and ensure our services remain accessible, relevant, and sustainable for the future.

A key priority is to continue strengthening our partnerships. We will build on the collaborative work undertaken through Hyndburn Way, Let's Move Hyndburn, and other borough-wide initiatives—expanding relationships across health, community, and cultural sectors. By working closely with public health colleagues, funders, stakeholders, and community leaders, we will develop more integrated approaches to addressing health inequalities and enabling active, connected lives.

We will also continue to advance our environmental commitments. This includes progressing energy-efficiency upgrades, exploring renewable energy options, reducing waste further, and embedding environmentally responsible practices across all service areas. Sustainability will continue to shape our decisions as we strive to minimise environmental impact while maximising community benefit.

Digital transformation remains a key enabler of future success. Building on the progress made through our new app and improved systems, we will continue to enhance digital tools to improve customer experience, streamline operations, and strengthen data-driven decision-making. This innovation will support us to deliver services more efficiently and responsively.

Our workforce will remain a central focus. We will invest in staff development, wellbeing, and leadership capacity—ensuring teams feel empowered, supported, and equipped to deliver excellent experiences. By nurturing a culture of collaboration, accountability, and continuous learning, we will support our people to continue making a meaningful difference every day.

Finally, we will continue to embed a community-first model—ensuring our programmes are shaped by lived experience, local insight, and the voices of those we serve. By listening, adapting, and responding, we will maintain services that truly reflect the needs and aspirations of our community.

Together—with our teams, partners, and communities—we are confident in our ability to continue delivering positive, lasting impact for the people of Hyndburn.

GOING CONCERN

The trustees have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net liability position within unrestricted funds as at 31 March 2025.

The trustees have reviewed budgets and cash flow forecasts. Efficiency savings are being delivered and new external grant income streams have been attracted by the management team. The trustees have considered the forecasts, grant funding secured and proposed savings, and consider them to be reasonable.

The trustees recognise the support provided by Hyndburn BC, and are aware of the letter of support received from the council.

After making enquiries and considering the issues described above, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL REVIEW

The financial statements have been prepared on a going concern basis, which presumes that the trust will receive no financial support from the Council by means of a management fee.

Total income for the year 2024/25 was £5,851,114 (2023/24: £5,475,857) an increase of £375,257 (6.85%). The increase in income is the result of improved performance at the leisure sites and additional support from the Council.

Total expenditure for the year 2024/25 was £5,905,154 (2023/24: £6,109,489), a decrease of £204,335 (3.34%). This was a result of the savings made on the premises costs.

The trust had an overall funds surplus as at 31 March 2025 of £796,875 (2024: deficit of £375,085). This was after the positive change in the pension scheme which experienced a £1,352,000 increase and was a balance sheet asset of £3,306,000 (2024: £1,954,000) at the year end.

To supplement the provision of high quality leisure facilities the charity is committed to developing a high quality service. The trust is working with partner organisations to introduce cost effective, fit for purpose, peer quality assurance processes.

Reserves policy

It is the aim of the Trustees to build up unrestricted reserves to cover a reasonable level of future management, administration and support costs.

At present the Trust has insufficient reserves to ensure that it can deal with major unexpected adverse developments without direct support from Hyndburn Borough Council. Both Trustees and Executives maintain a regular dialogue with the council to ensure that, should major unexpected adverse developments arise, any difficulties that require attention are addressed in a mutually agreeable manner.

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 conditions.

Trustees have agreed the reserves as follows;

- Hold a minimum cash balance in the bank account of at least £50,000.
- Long term aim to increase the minimum cash balance in the bank account to £200,000.

The Trustees have considered the current adverse economic climate when reviewing their reserves policy.

FINANCIAL REVIEW (CONTINUED)

Investment Powers and Policy
Under the Memorandum and Articles of Association, the Trust has the power to invest in any way the Trustees wish. The Trust having regard to the liquidity requirements of operating leisure facilities, and to the reserves policy, operate a policy of keeping surplus funds available in interest bearing bank accounts.

Principal risks and uncertainties
The Trust is extremely reliant on income from fees & charges, therefore the charity is open to a number of risks which can negatively impact upon the sustainability of the organisation including:

- Uncontrollable budget pressures placed upon the Trust will reduce the Trust's capability to plan and manage the business effectively
- The Trust is subject to elasticity in its demand income and a level of uncontrollable costs
- Delay in progressing the Leisure Transformation will defer income opportunities
- Changes in assumptions in relation to the defined pension scheme liabilities
- Volatility within the investments held within the defined benefit pension scheme
- Uncontrollable increases in the wholesale price of gas and electric
- The UK cost of living crisis currently being experienced.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Hyndburn Leisure 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

In so far as the trustees are aware, there is no relevant information of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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.

Approval

This report was approved by the trustees on 11th December 2025 and signed on its behalf by

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Ciaran Wells
Trustee/Chair of the Board

Opinion

We have audited the financial statements of Hyndburn Leisure (the 'charity') for the year ended 31st March 2025 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

We draw attention to the Accounting Policies, which highlight the charity's reliance on the support from Hyndburn Borough Council. The board members have concluded that the charity remains a going concern, however these events mean a material uncertainty exists that may cast doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

<u>Identifying and assessing potential risks related to irregularities</u>
In identifying and assessing risks of material misstatement in respect of irregularities, we considered the following:

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

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

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

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

Audit response to risks identified

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

Date: 18th December 2025

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total Funds £
INCOME					
Income from donations					
Donations	2	**270,325**	-	**270,325**	274,492
Income from charitable activities	3				
Operation of sports facilities		**3,457,610**	**1,799,743**	**5,257,353**	4,899,563
Operation of town hall and similar buildings		**219,968**	-	**219,968**	218,595
Income from other activities	4				
Commercial operations		**99,772**	-	**99,772**	80,104
Investments		**3,696**	-	**3,696**	3,103
Total income		**4,051,371**	**1,799,743**	**5,851,114**	5,475,857
EXPENDITURE					
Charitable activities	5				
Operation of sports facilities		**3,895,853**	**1,895,569**	**5,791,422**	5,788,448
Operation of town hall and similar buildings		**239,732**	-	**239,732**	389,041
Pension operating charge		**(24,000)**	-	**(24,000)**	(1,000)
Net interest on pension scheme liability	18	**(102,000)**	-	**(102,000)**	(67,000)
Total expenditure		**4,009,585**	**1,895,569**	**5,905,154**	6,109,489
NET INCOME/(EXPENDITURE)		**41,786**	**(95,826)**	**(54,040)**	(633,632)
Transfers between funds		-	-	-	-
		41,786	**(95,826)**	**(54,040)**	(633,632)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	18	**1,226,000**	-	**1,226,000**	639,000
NET MOVEMENT IN FUNDS		**1,267,786**	**(95,826)**	**1,171,960**	5,368

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total Funds £
NET MOVEMENT IN FUNDS		**1,267,786**	**(95,826)**	**1,171,960**	5,368
RECONCILIATION OF FUNDS					
Total funds brought forward		**(706,239)**	**331,154**	**(375,085)**	(380,453)
TOTAL FUNDS CARRIED FORWARD		**561,547**	**235,328**	**796,875**	(375,085)

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

All income and expenditure derive from continuing activities.

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2025

	Notes	31.3.25 £	31.3.24 £
FIXED ASSETS			
Tangible assets	9	**439,960**	472,618
CURRENT ASSETS			
Stock	10	**14,702**	10,189
Debtors	11	**193,346**	241,152
Cash at bank and in hand		**138,007**	581,711
		346,055	833,052
CURRENT LIABILITIES			
Amounts falling due within one year	12	**(2,204,481)**	(2,475,040)
NET CURRENT LIABILITIES		**(1,858,426)**	(1,641,988)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,418,466)**	(1,169,370)
LONG TERM LIABILITIES			
Amounts falling due after more than one year	13	**(1,090,659)**	(1,159,715)
NET LIABILITIES EXCLUDING PENSION DEFICIT		**(2,509,125)**	(2,329,085)
PENSION SCHEME SURPLUS/(DEFICIT)	18	**3,306,000**	1,954,000
NET LIABILITIES INCLUDING PENSION DEFICIT		**796,875**	(375,085)
FUNDS			
Unrestricted funds	16	**(2,744,453)**	(2,660,239)
Restricted funds	17	**235,328**	331,154
Pension scheme surplus/(deficit)	18	**3,306,000**	1,954,000
TOTAL FUNDS		**796,875**	(375,085)

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2025

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1st January 2015).

The financial statements were approved by the Board of Trustees on 11th December 2025 and were signed on its behalf by:

.....
Ciaran Wells
Trustee/Chair of the Board

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	31.3.25 £	31.3.24 £
Cash flows from charitable activities			
Cash generated from activities	1	**(291,155)**	332,632
Net cash from charitable activities		**(291,155)**	332,632
Cash flows from investing activities			
Interest income		**3,696**	3,103
Interest paid		**(32,301)**	(34,334)
Sale proceeds		**-**	-
Purchase of tangible fixed assets		**(19,491)**	-
Net cash from investing activities		**(48,096)**	(31,231)
Cash flows from financing activities			
New borrowings in the year		**-**	-
Capital repayments in the year		**(104,453)**	(63,698)
Net cash from financing activities		**(104,453)**	(63,698)
Increase/(decrease) in cash and cash equivalents		**(443,704)**	237,703
Cash and cash equivalents at the beginning of the year	2	**581,711**	344,008
Cash and cash equivalents at the end of the year	2	**138,007**	581,711

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2025

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.25	31.3.24
	£	£
Deficit for the year (before gains and losses on the pension scheme)	(54,040)	(633,632)
Interest receivable	(3,696)	(3,103)
Interest payable	32,301	34,334
Depreciation charges	52,149	88,611
Pension scheme operating and interest costs	(126,000)	(68,000)
	(99,286)	(581,790)
Decrease/(increase) in stocks	(4,513)	-
Decrease/(increase) in trade and other debtors	47,806	148,191
(Decrease)/increase in trade and other creditors	(235,162)	766,231
Cash generated from charitable activities	(291,155)	332,632

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2025

	31.3.25	1.4.24
	£	£
Cash and cash equivalents	138,007	581,711

Year ended 31st March 2024

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	581,711	344,008

1. ACCOUNTING POLICIES

Company information
Hyndburn Leisure is a charitable company, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the Company Information page. Each member's personal liability is limited to an amount not exceeding £1.

Basis of preparing the financial statements
The financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due. The related party, Hyndburn Borough Council, have confirmed their commitment to financial support of the charity, including continued support of the charity in its cash flow requirements within agreed terms and levels. The trustees have considered this support, along with the cashflow forecasts and budgets. Accordingly, the trustees have concluded that it is appropriate for these financial statements to be prepared on the going concern basis.

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

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

Freehold property	- 2% Straight line
Improvements to property	- 10% Straight line
Facilities	- Fully depreciated
Fixtures and equipment	- 10-25% Straight line
Plant and machinery	- 15% Straight line

Fixed assets are stated at cost less accumulated depreciation. Assets are also subject to an annual review to identify any indicators of impairment.

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

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

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

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

Pension costs and other post-retirement benefits
The charity participates in the Lancashire County Pension Fund defined benefit scheme. Although the scheme is a multi-employer scheme it is possible to allocate a share of the assets and liabilities to the charity and hence contributions are accounted for as a defined benefit scheme in accordance with FRS 102.

The charity also participates in the NHS Pension Fund defined benefit scheme. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities. The pension contributions made during the financial period are therefore treated as if the scheme is a defined contribution scheme and recognised in the Statement of Financial Activities.

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

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

Debtors and Creditors
Short term debtors and creditors are measured at transaction price, less any impairment.

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

2. DONATIONS

	31.3.25	31.3.24
	£	£
Gifts in kind – use of buildings	270,325	270,325
Corporate donations	-	4,167
	270,325	274,492

In 2024, of the total donation income, £270,325 was unrestricted funds.

3. CHARITABLE ACTIVITIES

	31.3.25	31.3.24
	£	£
Unrestricted income:		
Operational income from Hyndburn Borough Council	1,000,000	490,000
Income from the operation of leisure and arts facilities	2,677,578	2,583,419
	3,677,578	3,073,419
Restricted income:		
Architectural Heritage Fund	10,000	-
Arts Council England	32,500	32,500
Business Health Matters	-	49,060
Cardiac Grant	17,053	16,500
Change Grow Live	-	3,000
Community Ownership Fund	-	10,000
Culture and Heritage Fund	244,089	219,041
Clayton Community Centre	1,500	-
Feasibility Grant	-	10,000
Holiday Activity Fund	419,372	405,750
Household Support Fund	697,462	832,930
Hyndburn Way	182,354	168,728
Innovate UK	-	2,600
Invest to Save	-	8,000
King's Coronation	-	4,300
Together an Active Future – Sport England	178,332	179,704
Warm Space Grant	1,000	500
Weight Management/PASTA	16,081	102,126
	1,799,743	2,044,739
	7,190,570	5,118,158

4. OTHER ACTIVITIES – COMMERCIAL OPERATIONS

	31.3.25	31.3.24
	£	£
Other commercial income	99,772	80,104
	99,772	80,104

In 2024, of the total other activities income, £14,414 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES - 2025

	Sports facilities	Town hall & buildings	Total 2025
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	1,729,121	94,692	1,809,973
Other staff costs	11,140	517	11,657
Premises costs	729,334	78,732	808,066
Promotions and marketing	24,520	-	24,520
Depreciation	34,795	2,021	36,816
Gifts in kind – use of buildings	270,325	-	270,325
Other costs	516,534	25,413	541,947
	3,315,769	201,375	3,517,144
Support and governance costs allocated:			
Support costs (note 6)	522,076	34,521	556,597
Governance costs (note 6)	58,008	3,836	61,844
	580,084	38,357	618,442
	3,895,853	239,732	4,135,586
Restricted expenses (note 17):			
Salaries, NI and pensions	449,996	-	449,996
Other staff costs	356	-	356
Promotions and marketing	708	-	708
Depreciation	8,320	-	8,320
Project delivery costs	1,428,355	-	1,428,355
Other costs	7,834	-	7,834
	1,895,569	-	1,895,569
	5,791,422	239,732	6,031,154

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED) - 2024

	Sports facilities	Town hall & buildings	Total 2024
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	1,576,344	150,998	1,727,342
Other staff costs	8,271	1,368	9,639
Premises costs	947,698	109,645	1,057,343
Promotions and marketing	3,028	454	3,482
Depreciation	77,713	2,406	80,119
Gifts in kind – use of buildings	270,325	-	270,325
Other costs	352,079	63,154	415,233
	3,235,458	328,025	3,563,483
Support and governance costs allocated:			
Support costs (note 6)	586,005	58,299	644,304
Governance costs (note 6)	27,315	2,717	30,032
	613,320	61,016	674,336
	3,848,778	389,041	4,237,819
Restricted expenses:			
Salaries, NI and pensions	501,918	-	501,918
Other staff costs	72	-	72
Promotions and marketing	6,886	-	6,886
Depreciation	8,492	-	8,492
Project delivery costs	1,412,198	-	1,412,198
Other costs	10,104	-	10,104
	1,939,670	-	1,939,670
	5,788,448	389,041	6,177,489

6. GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the cost of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two charitable activities (see note 5) in the year.

The costs are apportioned on the following basis:

Salaries, NI and pensions – Allocated on a time basis
All other costs – Pro rata to direct (non-salary related) costs

7. NET MOVEMENT IN FUNDS

Net resources are stated after charging:

	31.3.25	31.3.24
	£	£
Auditors' remuneration: Audit fee	**8,600**	8,200
Auditors' remuneration: Non-audit services	**1,898**	3,997
Operating lease rentals – property	**270,325**	270,325
Depreciation	**52,149**	88,611

8. STAFF COSTS

	31.3.25	31.3.24
	£	£
Wages and salaries	**2,221,089**	2,117,449
Social security costs	**137,972**	125,386
Other pension costs	**262,140**	258,155
	2,621,201	2,500,990

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

	31.3.25	31.3.24
Employees	**160**	161

Due to reliance on seasonal workers, class instructors and casual bank staff, the number of employees can vary materially during the course of any one year.

The number of employees whose total employee benefits excluding pension contributions earning over £60,000, classified within bands of £10,000 is as follows.

	31.3.25	31.3.24
£70,000-£79,999	**1**	1

Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects, Head of Corporate Services and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £190,130 (2024: £159,908), in addition employer pension contributions of £30,657 (2024: £25,705) were paid in respect of their services.

Trustees' Remuneration
No trustees received remuneration for their roles as trustees for the year ended 31st March 2025 nor for the year ended 31st March 2024.

Trustees' Expenses
There were no trustees' expenses paid for the year ended 31st March 2025 nor for the year ended 31st March 2024.

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to property £	Facilities £	Fixtures & Equipment £	Totals
COST					
At 1st April 2024	**392,871**	**435,602**	**371,163**	**1,304,268**	**2,503,904**
Additions	**-**	**15,936**	**-**	**3,555**	**19,491**
At 31st March 2025	**392,871**	**451,538**	**371,163**	**1,307,823**	**2,523,395**
DEPRECIATION					
At 1st April 2024	**13,870**	**373,605**	**371,163**	**1,272,648**	**2,031,286**
Charge for year	**7,857**	**19,025**	**-**	**25,267**	**52,149**
At 31st March 2025	**21,727**	**392,630**	**371,163**	**1,297,915**	**2,083,435**
NET BOOK VALUE					
At 31st March 2025	**371,144**	**58,908**	**-**	**9,908**	**439,960**
At 31st March 2024	379,001	61,997	-	31,620	472,618

10. STOCK

	31.3.25 £	31.3.24 £
Bar stocks	**6,637**	6,771
Pool chemicals	**3,076**	1,085
Vending and food	**4,989**	2,333
	14,702	10,189

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Trade debtors	**51,206**	72,776
Prepayments and accrued income	**133,839**	168,376
VAT	**8,301**	-
	193,346	241,152

Debtors include £nil in respect of grants receivable at the year end. All amounts shown under debtors fall due for payment within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Trade creditors	116,197	131,284
Taxation and social security	45,404	106,299
Amounts owed to Hyndburn Borough Council	1,686,355	1,780,704
Accruals and deferred income	356,525	456,753
	2,204,481	2,475,040

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.25	31.3.24
	£	£
Amounts owed to Hyndburn Borough Council	1,090,659	1,159,715
	1,090,659	1,159,715

Included in the above amount owed to Hyndburn Borough Council is an amount totalling £806,253 which is repayable in more than 5 years and by instalments. Hyndburn Borough Council have a fixed and floating charge over all assets of the charity in relation to all balances owed to them.

14. OPERATING LEASE COMMITMENTS

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

	31.3.25	31.3.24
	£	£
Expiry date:		
Within 1 year	-	-
Between one and five years	-	-
	-	-

15. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.25 Total funds	31.3.24 Total Funds
	£	£	£	£
Fixed assets	285,995	153,965	439,960	472,618
Current assets	178,198	81,363	259,561	833,052
Current liabilities	(2,204,481)	-	(2,204,481)	(2,475,040)
Long term liabilities	(1,090,659)	-	(1,090,659)	(1,159,715)
Pension scheme surplus	3,306,000	-	3,306,000	1,954,000
	475,053	235,328	710,381	(375,085)

16. UNRESTRICTED FUNDS

	Pension (deficit)/surplus	General funds	Designated funds	Total funds
	£	£	£	£
Balance at 1st April 2024	1,954,000	(2,661,731)	1,492	(706,239)
Net income / (expenditure)	1,352,000	(169,216)	(1,492)	1,181,292
Transfers between funds	-	-	-	-
	3,306,000	(2,830,947)	-	475,053

General fund

The general fund consists of the total of free reserves available to spend on the objectives of the charity. As these are negative, the trustees have considered this when reviewing the going concern status of the charity and are satisfied that the charity remains a going concern particularly in light of the on-going support provided by Hyndburn Borough Council.

17. RESTRICTED FUNDS

	At 1st April 2024	Incoming resources	Outgoing resources	Fund transfers	At 31st March 2025
	£	£	£	£	£
Project fund					
Architectural Heritage Fund	-	10,000	(10,000)	-	-
Arts Council England (ACE)	32,500	32,500	(65,000)	-	-
Cardiac Grant	-	17,053	(17,053)	-	-
Community Ownership Fund	10,000	-	(10,000)	-	-
Culture and Heritage Fund	43,365	244,089	(287,454)	-	-
Clayton Community Centre	-	1,500	(1,500)	-	-
Events at Accrington Town Hall	2,282	-	(2,282)	-	-
Feasibility grant	10,000	-	(10,000)	-	-
Fixed assets	162,285	-	(8,320)	-	153,965
Holiday Activity Fund	18,315	419,372	(394,902)	-	42,785
Household Support Fund	-	697,462	(697,462)	-	-
Hyndburn Way Fund	33,391	182,354	(177,167)	-	38,578
Invest to save	8,000	-	(8,000)	-	-
Together an Active Fund	-	178,332	(178,332)	-	-
Warm Space	500	1,000	(1,500)	-	-
Weight Management/PASTA	10,516	16,081	(26,597)	-	-
	331,154	1,799,743	(1,895,569)	-	235,328

17. RESTRICTED FUNDS (CONTINUED)

Cardiac Grant
The cardiac grant supports 17 hours to provide a 12 week cardiac rehab referral programme, that provides low level classes and education sessions, supported by the Health Activator team.

Community Ownership Fund
A fund to support community groups take ownership of assets which are at risk of being lost to the community.

Events at Accrington Town Hall
Funding from the council to contribute to events run from Accrington Town Hall.

Fixed Asset Fund
Restricted element of grants received for the purchase of fixed assets.

Healthier Communities
This programme was set up and funded to empower voluntary and community sector organisations to work together with the local health and care sector to boost the health and wellbeing of their communities.

Holiday Active Fund
The purpose of this funding was to make free places at holiday clubs available in the Summer, Spring, and Winter holiday periods to children in their local authority area in receipt of benefits-related free school meals.

Household Support Fund
The Household Support Fund, provided by the Department for Work and Pensions, was introduced in October 2021 last year to support vulnerable households with essentials like food, energy and water bills and household items.

Hyndburn Way
Hyndburn Leisure has been awarded £450k from the National Lottery to lead a partnership project to improve local people's health and reduce health inequalities in the borough over the next three years. The not-for-profit leisure trust is using the funds to launch The Hyndburn Way: a project dedicated to improving local people's health and reducing health inequalities.

Together an Active Fund
Funding has been received from Sport England to identify innovative solutions to make it easier for people in specific areas to access sport and physical activity.

Weight Management
We are seeking to provide an accessible tier 2 adult weight management service, which supports obese adults to lose weight and improves knowledge and skills in maintaining healthy weight, as part of wider programmes which promote healthy weight and physical activity in localities. This will form an integral part of the NHS Health Checks care pathway and wider obesity pathways.

18. PENSION ARRANGEMENTS

Net Pension surplus:

	31.3.25	31.3.24
	£	£
Lancashire County Pension Scheme	**3,306,000**	1,954,000
	3,306,000	1,954,000

Lancashire County Pension Fund

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 £262,140 (2024: £258,155) were paid to the scheme.

The following calculations as at 31st March 2025 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method. Principal actuarial assumptions used by the actuary were as follows:

	31.3.25	31.3.24
Rate of CPI inflation	**2.60**	2.60
Rate of increase in salaries	**4.10**	4.10
Rate of increase in pensions	**2.70**	2.70
Discount rate	**5.90**	4.90
Life expectancy of a male future pensioner aged 65 in 20 years' time	**22.30**	22.40
Life expectancy of a female future pensioner aged 65 in 20 years' time	**25.40**	25.30
Life expectancy of a male current pensioner aged 65	**21.10**	21.10
Life expectancy of a female current pensioner aged 65	**23.60**	23.50

The amounts recognised in the balance sheet are as follows:

	31.3.25	31.3.24
	£	£
Present value of funded obligations	**(6,718,000)**	(7,626,000)
Fair value of plan assets	**10,024,000**	9,580,000
Net pension surplus	**3,306,000**	1,954,000

18. PENSION ARRANGEMENTS (CONTINUED)

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.25	31.3.24
	£	£
Operating charge		
Current service cost	**226,000**	249,000
Administration expenses	**10,000**	10,000
Total operating charge	**236,000**	259,000
Other finance costs		
Expected return on pension scheme assets	**(473,000)**	(422,000)
Interest on pension scheme liabilities	**371,000**	355,000
Net charge	**(102,000)**	(67,000)
Total charge to resources expended in Statement of Financial Activities	**134,000**	192,000

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

	31.3.25	31.3.24
	£	£
Actuarial gains/(losses) on assets	**(149,000)**	307,000
Actuarial gains/(losses) on liabilities	**1,375,000**	332,000
Actuarial gain / (loss) recognised	**1,226,000**	639,000

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

	31.3.25	31.3.24
	£	£
Opening defined benefit obligation	**7,626,000**	7,465,000
Current service cost	**226,000**	249,000
Interest on pension scheme liabilities	**371,000**	355,000
Employee contributions	**96,000**	98,000
Actuarial (gains)/losses	**(1,375,000)**	(332,000)
Benefits paid / transfers	**(226,000)**	(209,000)
Closing defined benefit obligations	**6,718,000**	7,626,000

18. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.25	31.3.24
	£	£
Opening fair value of plan assets	**9,580,000**	8,712,000
Expected return on plan assets	**473,000**	422,000
Actuarial gains/(losses)	**(149,000)**	307,000
Employer contributions	**260,000**	260,000
Employee contributions	**96,000**	98,000
Administration expenses	**(10,000)**	(10,000)
Benefits paid / transfers	**(226,000)**	(209,000)
Closing fair value of plan assets	**10,024,000**	9,580,000

The split of assets between investment categories is as follows:

	2025	**2025**	2024	2024
	£	**%**	£	%
Equities	**11,000**	**0.10**	9,000	0.10
Other bonds	**10,000**	**0.10**	10,000	0.10
Property	**120,000**	**1.20**	125,000	1.30
Cash/liquidity	**150,000**	**1.50**	172,000	1.80
Other	**9,733,000**	**97.10**	9,264,000	96.70
	10,024,000	**100.00**	9,580,000	100.00

Amounts for the current and previous periods are as follows:

	2025	2024	2022	2021
	£	£	£	£
Defined benefit obligation	**(6,718,000)**	(7,626,000)	(7,465,000)	(11,807,000)
Plan assets	**10,024,000**	9,580,000	8,712,000	8,501,000
Surplus/(Deficit)	**3,306,000**	1,954,000	1,247,000	(3,306,000)

A full actuarial review of the scheme was undertaken as at 31st March 2025.

Following the full actuarial valuation at 31st March 2025, employer contributions were agreed to stay at a rate of 13.70% with effect from 1st April 2025, and reduce to 10.9% from 1st April 2026.

The current estimate of employer contributions for the year ended 31st March 2026 is £260,000. Implied service cost is estimated at £149,000 and a net interest and administration cost at (£202,000) resulting in the surplus increasing by an estimated £313,000 to £3,619,000.

19. RELATED PARTY TRANSACTIONS

The charity receives a level of grant funding from Hyndburn Borough Council. The Council also has the power to appoint up to two trustees of the charity. The grant funding received during the year and the amounts owed to Hyndburn Borough Council at 31 March 2025 are summarised as follows:

	31.3.25	31.3.24
	£	£
Unrestricted operational income	**1,000,000**	490,000
Net amounts owed to Hyndburn Borough Council	**2,777,014**	2,992,680

Certain properties, occupied and operated by the charity, are provided by Hyndburn Borough Council on a peppercorn rent in accordance with the earliest lease expiring on 31 March 2027. The estimated benefit of the low rentals for these properties is £270,325 (2024: £270,325).

The charity also has transactions in the year with Rishton United FC, Accrington Stanley Community Trust and Carers Link Lancashire who each have common trustees. The nature of these transactions relates to the hire of pitches, sports hall and room facilities from the Leisure trust on an arm's length basis.

20. 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 current liabilities and net total liabilities (excluding the pension scheme surplus) as at 31st March 2025 because the trustees are satisfied that subject to the reservations identified in the Going Concern paragraph in the Trustees Report and Accounting Policies, 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 Hyndburn Borough Council;
d) The remaining term to March 2027 of the leases;
e) The competencies of the executive staff employed by the charity;
f) The actual performance to date for the financial year ending 31st March 2026;
g) The details included in the Report of the Trustees which sets out the impact of the energy price rises and cost of living crisis.

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

HYNDBURN LEISURE

England & Wales - Charity number 1090528

Accounts

REGISTERED COMPANY NUMBER: 04270411 (England and Wales)
REGISTERED CHARITY NUMBER: 1090528

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

FOR

HYNDBURN LEISURE

(A COMPANY LIMITED BY GUARANTEE)

Hyndburn Leisure

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2024

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 2024. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04270411 (England and Wales)

Registered Charity number
1090528

Registered office
Accrington Town Hall
Blackburn Road
Accrington
Lancashire
BB5 1LA

Trustees
Ciaran Wells – Chair
Irene Ryan
Anne Ellwood
Marie Demaine
Peter Baron
Ken Moss (Resigned on 11th May 2023)
Noordad Aziz (Appointed 10th June 2024)
Melissa Fisher (Appointed on 1st August 2023, Resigned 10th June 2024)
Loraine Cox (Appointed on 1st August 2023)

Key Management Personnel	Position
Lyndsey Sims	Chief Executive
Joanne Mortimer	Head of Operations & Strategic Projects
Linda Horsfield	Head of Health & Community Development

Company Secretary
Lyndsey Sims

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

Bankers
Natwest
PO Box No2
St James Street
Accrington
Lancashire
BB5 1NB

FOREWORD BY CHAIR

Welcome to Hyndburn Leisure's Annual Report for the financial year 2023/24. This report provides an overview of our main areas of activity, highlights achievements, and outlines our plans.

In recent years, we've achieved so much: from developing new services to support people to lead healthier lifestyles, to delivering the Hyndburn Hub through the pandemic. During that time, we've also moved to subsidy-free leisure operations, embarked on a major leisure transformation project with the Council, and have become more environmentally sustainable - and all of this within the context of an unprecedented global health pandemic.

Over the last two years, external factors have meant that the charity has required a subsidy from the Council to maintain the operation of all facilities and services. Over the next three years, we will look to move back towards zero subsidy.

We are proud of what we've accomplished in recent years, but always reinforce that it's the stories behind these headlines that really count; stories with people and community at their centre. These are the stories that motivate me and the team at the Trust every day: stories of engagement, inclusion, of incremental changes adding up to lives transformed.

As always, there's so much more to do. We feel Hyndburn is a vibrant, culturally diverse place to live and work, but not everyone shares that experience. Hyndburn is the 16th most deprived local authority in England, cultural engagement is low, and almost 1 in 3 adults here live an inactive lifestyle. Living healthier, more connected lives are more than a nice-to-have; it's a must-have - and our Trust has a key role to play in delivering this change.

None of this would be possible without the dedication, passion, and commitment of our employees, so thank you to all of you. Our employees continue to be our strongest asset - going above and beyond to deliver high-quality services and experiences for our customers.

We continue to operate in a challenging landscape and external factors make operating public facilities without a subsidy even more challenging, particularly at Hyndburn Leisure Centre, due to the energy required to heat and operate swimming pools.

As a charitable trust, every penny that we make goes back into our community. Our approach is the same as it's always been. We work with our local council and Board of Trustees as well as other trusted and valuable partners to deliver the programmes local people want and need, and we'll continue to do so. We're embedded in Hyndburn, and we listen.

The Trust remains focused on impacting positively on the health and wellbeing of our community, providing bespoke opportunities and programmes to meet the needs of the local population, with a commitment to providing inclusive, supportive & welcoming environments for people from across the Borough and surrounding areas.

We're determined to work hard to maximise our income and reduce our expenditure, all while delivering positive health outcomes and providing paid employment to a significant number of local residents. With the help of our incredible people and partners, we know we'll get there.

Ciaran Wells (Jan 30, 2025 20:18 GMT)

Chair – Ciaran Wells

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hyndburn Leisure is both a registered charity and a company limited by guarantee; governed by its Articles of Association. The trustees delegate the day-to-day management to the Chief Executive Officer, Lyndsey Sims.

The Trust adheres to the Nolan rules for Standards in Public Life. Whilst undertaking a review of governance, the Trustees have also reviewed the recommendations in "Good Governance, A Code for the Voluntary and Community Sector" and do not believe the Trust has any standards at variance with that code which require disclosure. The Trust's ethical policy is;

"All delegations must be exercised in accordance with the law and having regard to any lawful direction and/or guidance subsequently issued by Parliament and/or any other appropriate funding body.

Furthermore, all HR and people issues will be handled fairly, consistently and in accordance with relevant legislation, ACAS Codes of Practice and Chartered Institute of Personnel & Development (CIPD) advice and best practice."

Directors and Trustees

The directors of the limited company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Recruitment and appointment of new Trustees

As set out in the Articles of Association, the Chair of the Trustees is nominated by the members of the Board of Trustees. The Board of Trustees comprises a minimum of five Trustees and a maximum of fifteen.

The Charity aims to maintain a broad range of skills on the Board of Trustees to contribute to the success of the Charity. The composition of the Board of Trustees may include two trustees appointed by Hyndburn Borough Council and persons from time to time employed by the charity may collectively appoint one person as a trustee.

Trustees Induction and Training

New Trustees undergo orientation sessions and receive literature and training to provide them with an understanding of their legal obligations under both charity and company law, the content of the Articles of Association, the committee and decision making process, the business plan and recent financial performance of the Charity. The Trust also seeks to identify appropriate training and update sessions for the Trustee's.

Retirement of Trustees

Appointed trustees shall stay in office until such time as they retire or are removed in accordance with the Articles.

Board meetings

The trustees meet every three months. There is also a sub-committee which covers resource management including finance and corporate performance that meets every three months prior to each board meeting.

Indemnity Insurance

During the year the charity maintained indemnity insurance for the Trustees and senior staff to indemnify them against the consequences of unintentional neglect or default on their part.

Related parties
The Trust has a close relationship with Hyndburn Borough Council (Council) for whom it manages the borough's sports leisure and culture facilities and two community centres. Council facilities include; Hyndburn Leisure Centre, Mercer Hall Leisure Centre, Accrington Town Hall, Wilson's Playing Fields Athletics track, Bank Mill House and Oswaldtwistle West End. The facilities estate includes; one swimming pool, two state-of-the-art gyms, a soft play centre, two thermal suites, three squash courts and an events and entertainment venue.

There are two Council nominated trustee on the Board. In addition, the Chief Executive of the Trust has regular meetings with the Executive Director (Resources), who is the Trust's liaison, who also attends Board meetings.

Risk management
The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Pay and Remuneration
Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £159,908 (2023: £144,280), in addition, employer pension contributions of £25,705 (2023: £23,006) were paid in respect of their services

The Charity's pay structure for employees consists of 46 grades each of which has a set annual salary. We currently use 21 of these grades for roles within the Charity. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs. The grades and related salaries are set by the National Joint Council for Local Government Services.

OBJECTIVES AND ACHIEVEMENTS
Hyndburn Leisure (HL) is a company limited by guarantee with charitable status. It was formed in 2002 to manage the borough's sport and leisure facilities and in 2005 also took on the Council's Arts & Entertainment facilities and community buildings.

HL's objects as stated in its governing document are:

"the provision or assisting in the provision of facilities for recreation or other leisure time occupation for the general public in or in connection with the Borough of Hyndburn and its neighbourhood in the interests of social welfare by improving conditions of life"

In planning and delivering its action plan Trustees have considered Charity Commission guidance relating to public benefit, including the setting of affordable fees and charges and ensuring that programmes and activities meet charitable objectives.

OBJECTIVES AND ACHIEVEMENTS

Key areas of activity

The Trust seeks to provide accessible and affordable sports, leisure, arts and cultural activities to every member of the Hyndburn community, irrespective of age, background or ability.

We further our charitable objectives by operating in the following key areas:

- The Leisure Activity Passport scheme offers significantly reduced admission charges to a wide range of individuals who are on limited incomes, including those who are unemployed, receiving Council Tax or Housing Benefit, those receiving Income Support or Job seekers Allowance, students and those receiving Working Tax Credit.
- The Leisure Activity Passport also provides reduced admission for key priority groups including Hyndburn residents over 60 years of age and the registered disabled (including FREE access to carers).
- Our Swimming Programme offers reduced rate swimming for 4 to 16 year olds during school holiday periods.
- Senior citizens and children receive concessionary rates on the purchase of tickets for our sport and leisure activities and entertainment programme. In addition, free use is offered to children participating in themed activities and events.
- Use of our public halls and community facilities is made available to charitable and non-profit making groups at concessionary rates. We also offer free use for certain categories of users.
- Our Health & Wellbeing services support our communities to improve their health outcomes. The team work in the heart of our communities, workplaces and schools, using their expert knowledge and experience in supporting positive lifestyle changes.
- Free access to leisure provision for armed forces personnel.
- Free access to leisure facilities and financial support for talented athletes.

We want to help our community to feel healthier and more connected. This takes many forms, from learning a life skill like swimming, to dancing it out at a high energy Zumba class with friends. Alongside Accrington Town Hall and three Community Centres hosting a wide range of cultural activities, we're helping people to learn, celebrate, and connect.

ACHIEVEMENTS AND PERFORMANCE

Here at Hyndburn Leisure, we can and will continue to play a vital role in helping our community. We're particularly committed to helping those from marginalised and disadvantaged backgrounds improve their physical and mental health outcomes.

We are proud to be part of a UK-wide network of Charitable Trusts. Members of the network all have two things in common. To do good and make things better. We help make your community better because as a charitable organisation we are set up to do good. Every penny that we make goes back into local facilities or to create new programmes that our communities want and need like health walks or programmes to keep us all fitter as we get older.

The Leisure Trust's work continues to centre around improving health outcomes and reducing inequalities for our community. We support participants across a range of services including:

- Cardiac Rehabilitation Phase 4
- Tier 2 Weight Management
- Active Lifestyles Hub (Exercise referral)

We are most proud of the positive impact that these programmes have on people's lives. Helping them to improve their health, often managing long-term conditions more effectively and generally improving their overall well-being.

We also lead and contribute to a range of projects on behalf of the Borough including:

- Household Support Fund
- National Lottery Healthier Communities Programme (Hyndburn Way)
- Business Health Matters
- Together an Active Future (known locally as Let's Move Hyndburn)
- Holiday Activities Food programme (known locally as Fun with Food & Friends)
- Play and Skills at Teatime Activities

The Future

In April 2024 we launched our new company Strategy titled: 'Improving health- Building community-Transforming lives'.

Our business strategy maps out the charity's path for the next three years.

We have a new company Mission - We inspire people to live healthier, happier lives through leisure, sport, and culture – and help make our community a better place for everyone.

Our mission statement is a living, breathing thing; an approach that underpins every aspect of our work. We want to ensure that our team members are able to talk about our mission with confidence, and we aspire for it to be reflected clearly in the experiences and testimonials of our customers. It should be at the root of all processes and decisions in order to keep us focused - and to keep us accountable. As such, we've worded it in a way that's direct, impactful, and easy to remember.

We love Hyndburn, and we're proud to live and work here. But we're not blind to the challenges and inequalities that exist here. In Hyndburn, 69% of adults are overweight or obese. Here, the percentage of local people engaging with culture falls 10% below the national average, 25% of children live in 'absolute low income' households compared with 15% nationally, and 23% of Year 6 children are obese.

As with everything we do at Hyndburn Leisure, creating a vision for our future has been a collaborative process - one that has involved engaging with our people and our community.

It's no accident that two major pillars of our strategy are 'our people and 'our partnerships'. And pillar is a deliberate metaphor - they hold everything up. If we create options and opportunities within leisure and culture that are based on people's wants and needs, we know we can bring people with us.

We know that getting people involved in physical activity, sport, and culture means people are more active, which in turn leads to better health. People who engage in leisure and cultural activities also feel more connected to their community, which brings a myriad of individual and social benefits too. When we say it transforms lives, we really mean it.

But to do it - and to do it for everyone - we can't do it alone. For a mission of this size, we need everyone on board.

GOING CONCERN

The trustees have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net liability position within unrestricted funds as at 31 March 2024.

The trustees have reviewed budgets and cash flow forecasts. Efficiency savings are being delivered and new external grant income streams have been attracted by the management team. The trustees have considered the forecasts, grant funding secured and proposed savings, and consider them to be reasonable.

The trustees recognise the support provided by Hyndburn BC, and are aware of the letter of support received from the council.

After making enquiries and considering the issues described above, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL REVIEW

The financial statements have been prepared on a going concern basis, which presumes that the trust will receive no financial support from the Council by means of a management fee.

Total income for the year 2023/24 was £5,475,857 (2022/23: £4,583,647) an increase of £892,210 (19.47%). The increase in income is the result of improved performance at the leisure sites and additional support from the Council.

Total expenditure for the year 2023/24 was £6,109,489 (2022/23: £5,712,461), an increase of £397,028 (6.95%). This was a result of the increase in the national living wage and energy prices.

The trust had an overall funds deficit as at 31 March 2024 of £375,085 (2023: £380,453). This was after the positive change in the pension scheme which experienced a £707,000 increase and was a balance sheet asset of £1,954,000 (2023: £1,247,000) at the year end.

To supplement the provision of high quality leisure facilities the charity is committed to developing a high quality service. The trust is working with partner organisations to introduce cost effective, fit for purpose, peer quality assurance processes.

Reserves policy

It is the aim of the Trustees to build up unrestricted reserves to cover a reasonable level of future management, administration and support costs.

At present the Trust has insufficient reserves to ensure that it can deal with major unexpected adverse developments without direct support from Hyndburn Borough Council. Both Trustees and Executives maintain a regular dialogue with the council to ensure that, should major unexpected adverse developments arise, any difficulties that require attention are addressed in a mutually agreeable manner.

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 conditions.

Trustees have agreed the reserves as follows;

- Hold a minimum cash balance in the bank account of at least £50,000.
- Long term aim to increase the minimum cash balance in the bank account to £200,000.

The Trustees have considered the current adverse economic climate when reviewing their reserves policy.

FINANCIAL REVIEW (CONTINUED)

Investment Powers and Policy
Under the Memorandum and Articles of Association, the Trust has the power to invest in any way the Trustees wish. The Trust having regard to the liquidity requirements of operating leisure facilities, and to the reserves policy, operate a policy of keeping surplus funds available in interest bearing bank accounts.

Principal risks and uncertainties
The Trust is extremely reliant on income from fees & charges, therefore the charity is open to a number of risks which can negatively impact upon the sustainability of the organisation including:

- Uncontrollable budget pressures placed upon the Trust will reduce the Trust's capability to plan and manage the business effectively
- The Trust is subject to elasticity in its demand income and a level of uncontrollable costs
- Delay in progressing the Leisure Transformation will defer income opportunities
- Changes in assumptions in relation to the defined pension scheme liabilities
- Volatility within the investments held within the defined benefit pension scheme
- Uncontrollable increases in the wholesale price of gas and electric
- The UK cost of living crisis currently being experienced.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Hyndburn Leisure 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

In so far as the trustees are aware, there is no relevant information of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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.

Approval

This report was approved by the trustees on 30th January 2025 and signed on its behalf by

.....

Ciaran Wells
Trustee/Chair of the Board

Opinion

We have audited the financial statements of Hyndburn Leisure (the 'charity') for the year ended 31st March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

We draw attention to the Accounting Policies, which highlight the charity's reliance on the support from Hyndburn Borough Council. The board members have concluded that the charity remains a going concern, however these events mean a material uncertainty exists that may cast doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

<u>Identifying and assessing potential risks related to irregularities</u>

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

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

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

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

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

Audit response to risks identified

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

Date: 30th January 2025

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total Funds £
INCOME					
Income from donations					
Donations	2	**274,492**	-	**274,492**	270,325
Income from charitable activities	3				
Operation of sports facilities		**2,854,824**	**2,044,739**	**4,899,563**	4,045,852
Operation of town hall and similar buildings		**218,595**	-	**218,595**	252,005
Income from other activities	4				
Commercial operations		**77,989**	**2,115**	**80,104**	14,414
Investments		**3,103**	-	**3,103**	1,051
Total income		**3,429,003**	**2,046,854**	**5,475,857**	4,583,647
EXPENDITURE					
Charitable activities	5				
Operation of sports facilities		**3,848,778**	**1,939,670**	**5,788,448**	4,650,942
Operation of town hall and similar buildings		**389,041**	-	**389,041**	616,519
Pension operating charge		**(1,000)**	-	**(1,000)**	356,000
Net interest on pension scheme liability	18	**(67,000)**	-	**(67,000)**	89,000
Total expenditure		**4,169,819**	**1,939,670**	**6,109,489**	5,712,461
NET INCOME/(EXPENDITURE)		**(740,816)**	**107,184**	**(633,632)**	(1,128,814)
Transfers between funds		**(48)**	**48**	-	-
		(740,864)	**107,232**	**(633,632)**	(1,128,814)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	18	**639,000**	-	**639,000**	4,998,000
NET MOVEMENT IN FUNDS		**(101,864)**	**107,232**	**5,368**	3,869,186

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total Funds £
NET MOVEMENT IN FUNDS		**(101,864)**	**107,232**	**5,368**	3,869,186
RECONCILIATION OF FUNDS					
Total funds brought forward		**(604,375)**	**223,922**	**(380,453)**	(4,249,639)
TOTAL FUNDS CARRIED FORWARD		**(706,239)**	**331,154**	**(375,085)**	(380,453)

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

All income and expenditure derive from continuing activities.

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Tangible assets	9	**472,618**	561,229
CURRENT ASSETS			
Stock	10	**10,189**	10,189
Debtors	11	**241,152**	389,343
Cash at bank and in hand		**581,711**	344,008
		833,052	743,540
CURRENT LIABILITIES			
Amounts falling due within one year	12	**(2,475,040)**	(1,705,450)
NET CURRENT LIABILITIES		**(1,641,988)**	(961,910)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,169,370)**	(400,681)
LONG TERM LIABILITIES			
Amounts falling due after more than one year	13	**(1,159,715)**	(1,226,772)
NET LIABILITIES EXCLUDING PENSION DEFICIT		**(2,329,085)**	(1,627,453)
PENSION SCHEME SURPLUS/(DEFICIT)	18	**1,954,000**	1,247,000
NET LIABILITIES INCLUDING PENSION DEFICIT		**(375,085)**	(380,453)
FUNDS			
Unrestricted funds	16	**(2,660,239)**	(1,851,375)
Restricted funds	17	**331,154**	223,922
Pension scheme surplus/(deficit)	18	**1,954,000**	1,247,000
TOTAL FUNDS		**(375,085)**	(380,453)

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2024

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1st January 2015).

The financial statements were approved by the Board of Trustees on 30th January 2025 and were signed on its behalf by:

.....

Ciaran Wells
Trustee/Chair of the Board

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from charitable activities			
Cash generated from activities	1	**332,632**	294,315
Net cash from charitable activities		**332,632**	294,315
Cash flows from investing activities			
Interest income		**3,103**	1,051
Interest paid		**(34,334)**	(36,080)
Sale proceeds		**-**	225
Purchase of tangible fixed assets		**-**	(157,640)
Net cash from investing activities		**(31,231)**	(192,444)
Cash flows from financing activities			
New borrowings in the year		**-**	-
Capital repayments in the year		**(63,698)**	(105,406)
Net cash from financing activities		**(63,698)**	(105,406)
Increase/(decrease) in cash and cash equivalents		**237,703**	(3,535)
Cash and cash equivalents at the beginning of the year	2	**344,008**	347,543
Cash and cash equivalents at the end of the year	2	**581,711**	344,008

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2024

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.24	31.3.23
	£	£
Deficit for the year (before gains and losses on the pension scheme)	**(633,632)**	(1,128,814)
Interest receivable	**(3,103)**	(1,051)
Interest payable	**34,334**	36,080
Depreciation charges	**88,611**	88,313
Pension scheme operating and interest costs	**(68,000)**	445,000
Profit and loss on the disposal of assets	**-**	(225)
	(581,790)	(560,697)
Decrease/(increase) in stocks	**-**	-
Decrease/(increase) in trade and other debtors	**148,191**	45,007
(Decrease)/increase in trade and other creditors	**766,231**	810,005
Cash generated from charitable activities	**332,632**	294,315

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2024

	31.3.24	**1.4.23**
	£	**£**
Cash and cash equivalents	**581,711**	**344,008**

Year ended 31st March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	344,008	347,543

1. ACCOUNTING POLICIES

Company information
Hyndburn Leisure is a charitable company, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the Company Information page. Each member's personal liability is limited to an amount not exceeding £1.

Basis of preparing the financial statements
The financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due. The related party, Hyndburn Borough Council, have confirmed their commitment to financial support of the charity, including continued support of the charity in its cash flow requirements within agreed terms and levels. The trustees have considered this support, along with the cashflow forecasts and budgets. Accordingly, the trustees have concluded that it is appropriate for these financial statements to be prepared on the going concern basis.

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

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

Freehold property	- 2% Straight line
Improvements to property	- 10% Straight line
Facilities	- Fully depreciated
Fixtures and equipment	- 10-25% Straight line
Plant and machinery	- 15% Straight line

Fixed assets are stated at cost less accumulated depreciation. Assets are also subject to an annual review to identify any indicators of impairment.

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

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

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

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

Pension costs and other post-retirement benefits
The charity participates in the Lancashire County Pension Fund defined benefit scheme. Although the scheme is a multi-employer scheme it is possible to allocate a share of the assets and liabilities to the charity and hence contributions are accounted for as a defined benefit scheme in accordance with FRS 102.

The charity also participates in the NHS Pension Fund defined benefit scheme. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities. The pension contributions made during the financial period are therefore treated as if the scheme is a defined contribution scheme and recognised in the Statement of Financial Activities.

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

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

Debtors and Creditors
Short term debtors and creditors are measured at transaction price, less any impairment.

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

2. DONATIONS

	31.3.24	31.3.23
	£	£
Gifts in kind – use of buildings	**270,325**	270,325
Corporate donations	**4,167**	-
	274,492	270,325

In 2023, of the total donation income, £270,325 was unrestricted funds.

3. CHARITABLE ACTIVITIES

	31.3.24	31.3.23
	£	£
Unrestricted income:		
Grants from Hyndburn Borough Council	**-**	280,540
Operational income from Hyndburn Borough Council	**490,000**	49,813
Income from the operation of leisure and arts facilities	**2,583,419**	2,106,353
	3,073,419	2,436,706
Restricted income:		
Arts Council England	**32,500**	-
Bridging Communities	**-**	7,400
Business Health Matters	**49,060**	96,931
Cardiac Grant	**16,500**	16,668
Change Grow Live	**3,000**	-
Community Ownership Fund	**10,000**	185,016
Culture and Heritage Fund	**219,041**	462
Events at Accrington Town Hall	**-**	18,677
Feasibility Grant	**10,000**	-
Healthier Communities	**-**	145,555
Holiday Activity Fund	**405,750**	404,228
Household Support Fund	**832,930**	728,788
Hyndburn Way	**168,728**	-
Innovate UK	**2,600**	2,926
Invest to Save	**8,000**	-
King's Coronation	**4,300**	-
National Lottery Grant	**-**	8,328
PASTA	**31,500**	38,375
Suicide Prevention Fund	**-**	101
Together an Active Future – Sport England	**179,704**	142,801
Warm Space Grant	**500**	500
Weight Management – Lancashire County Council	**70,626**	64,395
	2,044,739	1,861,151
	5,118,158	4,297,857

4. OTHER ACTIVITIES – COMMERCIAL OPERATIONS

	31.3.24	31.3.23
	£	£
Other commercial income	80,104	14,414
	80,104	14,414

In 2023, of the total other activities income, £14,414 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES - 2024

	Sports facilities	Town hall & buildings	Total 2024
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	1,576,344	150,998	1,727,342
Other staff costs	8,271	1,368	9,639
Premises costs	947,698	109,645	1,057,343
Promotions and marketing	3,028	454	3,482
Depreciation	77,713	2,406	80,119
Gifts in kind – use of buildings	270,325	-	270,325
Other costs	352,079	63,154	415,233
	3,235,458	328,025	3,563,483
Support and governance costs allocated:			
Support costs (note 6)	586,005	58,299	644,304
Governance costs (note 6)	27,315	2,717	30,032
	613,320	61,016	674,336
	3,848,778	389,041	4,237,819
Restricted expenses (note 17):			
Salaries, NI and pensions	501,918	-	501,918
Other staff costs	72	-	72
Promotions and marketing	6,886	-	6,886
Depreciation	8,492	-	8,492
Project delivery costs	1,412,198	-	1,412,198
Other costs	10,104	-	10,104
	1,939,670	-	1,939,670
	5,788,448	389,041	6,177,489

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED) - 2023

	Sports facilities	Town hall & buildings	Total 2023
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	1,203,188	278,635	1,481,823
Other staff costs	8,396	2,420	10,816
Premises costs	654,262	84,855	739,117
Promotions and marketing	1,772	2,150	3,922
Depreciation	81,498	202	81,700
Profit and loss on disposal	225	-	225
Gifts in kind – use of buildings	270,325	-	270,325
Other costs	190,141	99,081	289,222
	2,409,807	467,343	2,877,150
Support and governance costs allocated:			
Support costs (note 6)	624,734	124,408	749,142
Governance costs (note 6)	23,382	4,560	27,942
	648,116	128,968	777,084
	3,057,923	596,311	3,654,234
Restricted expenses:			
Salaries, NI and pensions	556,103	-	556,103
Other staff costs	1,015	-	1,015
Premises costs	2,214	-	2,214
Promotions and marketing	4,440	-	4,440
Depreciation	6,611	-	6,611
Project delivery costs	1,011,109	20,208	1,031,317
Other costs	11,527	-	11,527
	1,593,019	20,208	1,613,227
	4,650,942	616,519	5,267,461

6. GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the cost of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two charitable activities (see note 5) in the year.

The costs are apportioned on the following basis:

Salaries, NI and pensions – Allocated on a time basis
All other costs – Pro rata to direct (non-salary related) costs

7. NET MOVEMENT IN FUNDS

Net resources are stated after charging:

	31.3.24	31.3.23
	£	£
Auditors' remuneration: Audit fee	**8,200**	8,200
Auditors' remuneration: Non-audit services	**3,997**	12,251
Operating lease rentals – property	**270,325**	270,325
Indemnity insurance for trustees and senior staff	**523**	402
Depreciation	**88,611**	81,498
Profit and loss on disposal	**-**	225

8. STAFF COSTS

	31.3.24	31.3.23
	£	£
Wages and salaries	**2,117,449**	2,043,461
Social security costs	**125,386**	118,194
Other pension costs	**258,155**	278,256
	2,500,990	2,439,911

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

	31.3.24	31.3.23
Employees	**161**	157

Due to reliance on seasonal workers, class instructors and casual bank staff, the number of employees can vary materially during the course of any one year.

The number of employees whose total employee benefits excluding pension contributions earning over £60,000, classified within bands of £10,000 is as follows.

	31.3.24	31.3.23
£60,000-£69,999	**-**	1
£70,000-£79,999	**1**	-

Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £159,908 (2023: £144,280), in addition employer pension contributions of £25,705 (2023: £23,006) were paid in respect of their services.

Trustees' Remuneration
No trustees received remuneration for their roles as trustees for the year ended 31st March 2024 nor for the year ended 31st March 2023.

Trustees' Expenses
There were no trustees' expenses paid for the year ended 31st March 2024 nor for the year ended 31st March 2023.

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to property £	Facilities £	Fixtures & Equipment £	Totals
COST					
At 1st April 2023	**392,871**	**435,602**	**371,163**	**1,304,268**	**2,503,904**
Additions	**-**	**-**	**-**	**-**	**-**
At 31st March 2024	**392,871**	**435,602**	**371,163**	**1,304,268**	**2,503,904**
DEPRECIATION					
At 1st April 2023	**6,013**	**356,942**	**371,163**	**1,208,557**	**1,942,675**
Charge for year	**7,857**	**16,663**	**-**	**64,091**	**88,611**
At 31st March 2024	**13,870**	**373,605**	**371,163**	**1,272,648**	**2,031,286**
NET BOOK VALUE					
At 31st March 2024	**379,001**	**61,997**	**-**	**31,620**	**472,618**
At 31st March 2023	386,858	78,660	-	95,711	561,229

10. STOCK

	31.3.24 £	31.3.23 £
Bar stocks	**6,771**	6,771
Pool chemicals	**1,085**	1,085
Vending and food	**2,333**	2,333
	10,189	10,189

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade debtors	**72,776**	83,395
Prepayments and accrued income	**168,376**	305,948
	241,152	389,343

Debtors include £nil in respect of grants receivable at the year end. All amounts shown under debtors fall due for payment within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	**131,284**	122,398
Taxation and social security	**106,299**	87,992
Amounts owed to Hyndburn Borough Council	**1,780,704**	886,046
Hire purchase contracts	**-**	3,648
Accruals and deferred income	**456,753**	605,366
	2,475,040	1,705,450

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.24	31.3.23
	£	£
Amounts owed to Hyndburn Borough Council	**1,159,715**	1,226,772
	1,159,715	1,226,772

Included in the above amount owed to Hyndburn Borough Council is an amount totalling £871,040 which is repayable in more than 5 years and by instalments. Hyndburn Borough Council have a fixed and floating charge over all assets of the charity in relation to all balances owed to them.

14. OPERATING LEASE COMMITMENTS

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

	31.3.24	31.3.23
	£	£
Expiry date:		
Within 1 year	-	-
Between one and five years	-	-
	-	-

15. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.24 Total funds	31.3.23 Total Funds
	£	£	£	£
Fixed assets	**310,333**	**162,285**	**472,618**	561,229
Current assets	**664,183**	**168,869**	**833,052**	743,540
Current liabilities	**(2,475,040)**	**-**	**(2,475,040)**	(1,705,450)
Long term liabilities	**(1,159,715)**	**-**	**(1,159,715)**	(1,226,772)
Pension scheme surplus	**1,954,000**	**-**	**1,954,000**	1,247,000
	(706,239)	**331,154**	**(375,085)**	(380,453)

16. UNRESTRICTED FUNDS

	Pension (deficit)/surplus	General funds	Designated funds	Total funds
	£	£	£	£
Balance at 1st April 2023	1,247,000	(1,852,847)	1,472	(604,375)
Net income / (expenditure)	707,000	(808,836)	20	(101,816)
Transfers between funds	-	(48)	-	(48)
	1,954,000	(2,661,731)	1,492	(706,239)

General fund

The general fund consists of the total of free reserves available to spend on the objectives of the charity. As these are negative, the trustees have considered this when reviewing the going concern status of the charity and are satisfied that the charity remains a going concern particularly in light of the on-going support provided by Hyndburn Borough Council.

17. RESTRICTED FUNDS

	At 1st April 2023	Incoming resources	Outgoing resources	Fund transfers	At 31st March 2024
	£	£	£	£	£
Project fund					
Arts Council England (ACE)	-	32,500	-	-	32,500
Business Health Matters	-	51,660	(51,660)	-	-
Cardiac Grant	-	16,500	(16,500)	-	-
Change Grow Live	-	3,000	(3,000)	-	-
Community Ownership Fund	-	10,000	-	-	10,000
Culture and Heritage Fund	-	221,156	(177,791)	-	43,365
Events at Accrington Town Hall	2,282	-	-	-	2,282
Feasibility grant	-	10,000	-	-	10,000
Fixed assets	170,777	-	(8,492)	-	162,285
Healthier Communities	11,982	-	-	-	11,982
Holiday Activity Fund	12,315	405,750	(399,750)	-	18,315
Household Support Fund	-	832,930	(832,930)	-	-
Hyndburn Way Fund	-	168,728	(147,319)	-	21,409
Invest to save	-	8,000	-	-	8,000
Kings Coronation	-	4,300	(4,348)	48	-
National Lottery Grant	8,328	-	(8,328)	-	-
PASTA	18,238	31,500	(49,738)	-	-
Together an Active Fund	-	179,704	(179,704)	-	-
Warm Space	-	500	-	-	500
Weight Management	-	70,626	(60,110)	-	10,516
	223,922	2,046,854	(1,939,670)	48	331,154

17. RESTRICTED FUNDS (CONTINUED)

Business Health Matters
The Business Health Matters programme has been developed to support local businesses in improving the physical and mental health of their employees so that staff are happier, healthier and more resilient.

Cardiac Grant
The cardiac grant supports 17 hours to provide a 12 week cardiac rehab referral programme, that provides low level classes and education sessions, supported by the Health Activator team.

Change Grow Live
This fund for national health and social care is to help with challenges including drugs and alcohol, housing, justice, health and wellbeing.

Community Ownership Fund
A fund to support community groups take ownership of assets which are at risk of being lost to the community.

Events at Accrington Town Hall
Funding from the council to contribute to events run from Accrington Town Hall.

Fixed Asset Fund
Restricted element of grants received for the purchase of fixed assets.

Healthier Communities
This programme was set up and funded to empower voluntary and community sector organisations to work together with the local health and care sector to boost the health and wellbeing of their communities.

Holiday Active Fund
The purpose of this funding was to make free places at holiday clubs available in the Summer, Spring, and Winter holiday periods to children in their local authority area in receipt of benefits-related free school meals.

Household Support Fund
The Household Support Fund, provided by the Department for Work and Pensions, was introduced in October 2021 last year to support vulnerable households with essentials like food, energy and water bills and household items.

Hyndburn Way
Hyndburn Leisure has been awarded £450k from the National Lottery to lead a partnership project to improve local people's health and reduce health inequalities in the borough over the next three years. The not-for-profit leisure trust is using the funds to launch The Hyndburn Way: a project dedicated to improving local people's health and reducing health inequalities.

PASTA
PASTA (Play and Skills at Tea-time Activities) after school clubs provided a targeted programme for local families with the aim of promoting healthier eating and physical activity in a fun, interactive and safe environment.

Together an Active Fund
Funding has been received from Sport England to identify innovative solutions to make it easier for people in specific areas to access sport and physical activity.

17. RESTRICTED FUNDS (CONTINUED)

Weight Management
We are seeking to provide an accessible tier 2 adult weight management service, which supports obese adults to lose weight and improves knowledge and skills in maintaining healthy weight, as part of wider programmes which promote healthy weight and physical activity in localities. This will form an integral part of the NHS Health Checks care pathway and wider obesity pathways.

18. PENSION ARRANGEMENTS

Net Pension surplus:

	31.3.24	31.3.23
	£	£
Lancashire County Pension Scheme	**1,954,000**	1,247,000
	1,954,000	1,247,000

Lancashire County Pension Fund
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 £258,155 (2023: £278,256) were paid to the scheme.

The following calculations as at 31st March 2024 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method. Principal actuarial assumptions used by the actuary were as follows:

	31.3.24	31.3.23
Rate of CPI inflation	**2.60**	2.70
Rate of increase in salaries	**4.10**	4.20
Rate of increase in pensions	**2.70**	2.80
Discount rate	**4.90**	4.80
Life expectancy of a male future pensioner aged 65 in 20 years' time	**22.40**	22.80
Life expectancy of a female future pensioner aged 65 in 20 years' time	**25.30**	25.80
Life expectancy of a male current pensioner aged 65	**21.10**	21.50
Life expectancy of a female current pensioner aged 65	**23.50**	23.80

The amounts recognised in the balance sheet are as follows:

	31.3.24	31.3.23
	£	£
Present value of funded obligations	**(7,626,000)**	(7,465,000)
Fair value of plan assets	**9,580,000**	8,712,000
Net pension surplus	**1,954,000**	1,247,000

18. PENSION ARRANGEMENTS (CONTINUED)

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.24	31.3.23
	£	£
Operating charge		
Current service cost	**249,000**	620,000
Administration expenses	**10,000**	9,000
Total operating charge	**259,000**	629,000
Other finance costs		
Expected return on pension scheme assets	**(422,000)**	(239,000)
Interest on pension scheme liabilities	**355,000**	328,000
Net charge	**(67,000)**	89,000
Total charge to resources expended in Statement of Financial Activities	**192,000**	718,000

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

	31.3.24	31.3.23
	£	£
Actuarial gains/(losses) on assets	**307,000**	(99,000)
Actuarial gains/(losses) on liabilities	**332,000**	5,097,000
Actuarial gain / (loss) recognised	**639,000**	4,998,000

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

	31.3.24	31.3.23
	£	£
Opening defined benefit obligation	**7,465,000**	11,807,000
Current service cost	**249,000**	620,000
Interest on pension scheme liabilities	**355,000**	328,000
Employee contributions	**98,000**	91,000
Actuarial (gains)/losses	**(332,000)**	(5,097,000)
Benefits paid / transfers	**(209,000)**	(284,000)
Closing defined benefit obligations	**7,626,000**	7,465,000

18. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.24	31.3.23
	£	£
Opening fair value of plan assets	**8,712,000**	8,501,000
Expected return on plan assets	**422,000**	239,000
Actuarial gains/(losses)	**307,000**	(99,000)
Employer contributions	**260,000**	273,000
Employee contributions	**98,000**	91,000
Administration expenses	**(10,000)**	(9,000)
Benefits paid / transfers	**(209,000)**	(284,000)
Closing fair value of plan assets	**9,580,000**	8,712,000

The split of assets between investment categories is as follows:

	2024	**2024**	2023	2023
	£	**%**	£	%
Equities	**9,000**	**0.10**	9,000	0.10
Government bonds	**-**	**-**	-	-
Other bonds	**10,000**	**0.10**	17,000	0.20
Property	**125,000**	**1.30**	131,000	1.50
Cash/liquidity	**172,000**	**1.80**	70,000	0.80
Other	**9,264,000**	**96.70**	8,485,000	97.40
	9,580,000	**100.00**	8,712,000	100.00

Amounts for the current and previous periods are as follows:

	2024	2023	2022	2021
	£	£	£	£
Defined benefit obligation	**(7,626,000)**	(7,465,000)	(11,807,000)	(11,475,000)
Plan assets	**9,580,000**	8,712,000	8,501,000	7,335,000
Surplus/(Deficit)	**1,954,000**	1,247,000	(3,306,000)	(4,140,000)

A full actuarial review of the scheme was undertaken as at 31st March 2022.

Following the full actuarial valuation at 31st March 2024, employer contributions were agreed to stay at a rate of 13.70% with effect from 1st April 2024.

The current estimate of employer contributions for the year ended 31st March 2024 is £260,000. Implied service cost is estimated at £226,000 and a net interest and administration cost at (£92,000) resulting in the surplus increasing by an estimated £126,000 to £2,080,000.

19. RELATED PARTY TRANSACTIONS

The charity receives a level of grant funding from Hyndburn Borough Council. The Council also has the power to appoint up to two trustees of the charity. The grant funding received during the year and the amounts owed to Hyndburn Borough Council at 31 March 2024 are summarised as follows:

	31.3.24	31.3.23
	£	£
Unrestricted grant income	**-**	280,540
Unrestricted operational income	**490,000**	49,813
Net amounts owed to Hyndburn Borough Council	**2,992,680**	2,112,818

Certain properties, occupied and operated by the charity, are provided by Hyndburn Borough Council on a peppercorn rent in accordance with the earliest lease expiring on 31 March 2027. The estimated benefit of the low rentals for these properties is £270,325 (2023: £270,325).

The charity also has transactions in the year with Rishton United FC, Accrington Stanley Community Trust and Carers Link Lancashire who each have common trustees. The nature of these transactions relates to the hire of pitches, sports hall and room facilities from the Leisure trust on an arm's length basis.

20. 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 current liabilities and net total liabilities (including the pension scheme surplus) as at 31st March 2024 because the trustees are satisfied that subject to the reservations identified in the Going Concern paragraph in the Trustees Report and Accounting Policies, 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 Hyndburn Borough Council;
d) The remaining term to March 2027 of the leases;
e) The competencies of the executive staff employed by the charity;
f) The actual performance to date for the financial year ending 31st March 2025.
g) The details included in the Report of the Trustees which sets out the impact of the energy price rises and cost of living crisis.

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

HYNDBURN LEISURE

England & Wales - Charity number 1090528

Accounts

REGISTERED COMPANY NUMBER: 04270411 (England and Wales)
REGISTERED CHARITY NUMBER: 1090528

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

FOR

HYNDBURN LEISURE

(A COMPANY LIMITED BY GUARANTEE)

Hyndburn Leisure

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

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 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04270411 (England and Wales)

Registered Charity number
1090528

Registered office
Accrington Town Hall
Blackburn Road
Accrington
Lancashire
BB5 1LA

Trustees
Ciaran Wells – Chair
Irene Ryan
Anne Ellwood
Marie Demaine
Peter Baron
Cllr Munsif Dad BEM (Resigned 21st June 2022)
Ken Moss (Appointed 25th August 2022, Resigned on 11th May 2023)
Melissa Fisher (Appointed on 1st August 2023)
Loraine Cox (Appointed on 1st August 2023)

Key Management Personnel	**Position**
Lyndsey Sims	Chief Executive
Joanne Mortimer	Head of Operations & Strategic Projects
Linda Horsfield	Head of Health & Community Development

Company Secretary
Lyndsey Sims

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

Bankers
Natwest
PO Box No2
St James Street
Accrington
Lancashire
BB5 1NB

FOREWORD BY CHAIR

Welcome to Hyndburn Leisure's Annual Report for the financial year 2022/23. This report provides an overview of our main areas of activity, highlights achievements and outlines future plans.

2022/23 was the second financial year that the Trust operated without a management grant from Hyndburn BC. The Trust continues to work hard to maximise income and reduce expenditure, whilst delivering positive health outcomes for our community and providing paid employment for a large number of Hyndburn residents.

Since 2008/09, the management fee paid to the Trust by Hyndburn BC has reduced from £1.2 million to zero. The year on year reductions to the management fee have provided cumulative savings for the Council of over £9 million.

It has not been easy. In the 2022/23 financial year, we saw our energy costs increase significantly, and the cost of living increase sharply, with inflation hitting 11% in October 2022. We also operate facilities which are in need of major capital investment, which has affected the Trust's ability to grow back to pre-covid participation levels at some sites. Collectively, this had a profound impact on the business.

Despite that, we should reflect on 2022/23 with a huge amount of pride. Our successes include: inspiring and supporting 712 inactive people with at least one long term health condition to engage in the Lifestyle Hub, securing £450k of National Lottery funding to coordinate a health and care project on behalf of the Borough, investing over £300k into maintenance, repairs and capital developments across all facilities, supporting 167 people every week at Cardiac Rehabilitation classes and bringing together a range of fantastic local partners to plan and deliver a series of park events, attracting high numbers of young people and families.

None of this would be possible without the dedication, passion and commitment of our employees, so thank you to all of you. Our employees continue to be our strongest asset - going above and beyond to deliver high-quality services and experiences for our customers.

We continue to operate in a challenging landscape. Energy prices are due to grow further in 2023/24 when the energy price cap is removed and our employees and supply costs continue to grow, linked to inflation. These factors make operating public facilities without a subsidy even more challenging, particularly at Hyndburn Leisure Centre, due to the energy required to heat and operate swimming pools.

As a charitable trust, every penny that we make goes back into our community. Our approach is the same as it's always been. We work with our local council and Board of Trustees as well as other trusted and valuable partners to deliver the programmes local people want and need, and we'll continue to do so. We're embedded in Hyndburn, and we listen.

Despite the challenges that the pandemic, energy crisis and cost of living crisis have brought, the Trust is focused on recovering from the effects of these external factors and remains determined to impact positively on the health and wellbeing of our community, providing bespoke opportunities and programmes to meet the needs of the local population, with a commitment to providing inclusive, supportive & welcoming environments for people from across the Borough and surrounding areas.

We're determined to work hard to maximise our income and reduce our expenditure, all while delivering positive health outcomes and providing paid employment to a significant number of local residents. With the help of our incredible people and partners, we know we'll get there.

Ciaran Wells

Chair – Ciaran Wells

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hyndburn Leisure is both a registered charity and a company limited by guarantee; governed by its Articles of Association. The trustees delegate the day-to-day management to the Chief Executive Officer, Lyndsey Sims.

The Trust adheres to the Nolan rules for Standards in Public Life. Whilst undertaking a review of governance, the Trustees have also reviewed the recommendations in "Good Governance, A Code for the Voluntary and Community Sector" and do not believe the Trust has any standards at variance with that code which require disclosure. The Trust's ethical policy is;

"All delegations must be exercised in accordance with the law and having regard to any lawful direction and/or guidance subsequently issued by Parliament and/or any other appropriate funding body.

Furthermore, all HR and people issues will be handled fairly, consistently and in accordance with relevant legislation, ACAS Codes of Practice and Chartered Institute of Personnel & Development (CIPD) advice and best practice."

Directors and Trustees

The directors of the limited company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Recruitment and appointment of new Trustees

As set out in the Articles of Association, the Chair of the Trustees is nominated by the members of the Board of Trustees. The Board of Trustees comprises a minimum of five Trustees and a maximum of fifteen.

The Charity aims to maintain a broad range of skills on the Board of Trustees to contribute to the success of the Charity. The composition of the Board of Trustees may include two trustees appointed by Hyndburn Borough Council and persons from time to time employed by the charity may collectively appoint one person as a trustee.

Trustees Induction and Training

New Trustees undergo orientation sessions and receive literature and training to provide them with an understanding of their legal obligations under both charity and company law, the content of the Articles of Association, the committee and decision making process, the business plan and recent financial performance of the Charity. The Trust also seeks to identify appropriate training and update sessions for the Trustee's.

Retirement of Trustees

Appointed trustees shall stay in office until such time as they retire or are removed in accordance with the Articles.

Board meetings

The trustees meet every three months. There is also a sub-committee which covers resource management including finance and corporate performance that meets every three months prior to each board meeting.

Indemnity Insurance

During the year the charity maintained indemnity insurance for the Trustees and senior staff to indemnify them against the consequences of unintentional neglect or default on their part.

Related parties
The Trust has a close relationship with Hyndburn Borough Council (Council) for whom it manages the borough's sports leisure and culture facilities and two community centres. Council facilities include; Hyndburn Leisure Centre, Mercer Hall Leisure Centre, Accrington Town Hall, Wilson's Playing Fields Athletics track, Bank Mill House and Oswaldtwistle West End. The facilities estate includes; one swimming pool, two state-of-the-art gyms, a soft play centre, two thermal suites, three squash courts and an events and entertainment venue.

There are two Council nominated trustee on the Board. In addition, the Chief Executive of the Trust has regular meetings with the Executive Director (Resources), who is the Trust's liaison, who also attends Board meetings.

Risk management
The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Pay and Remuneration
Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £144,280 (2022: £121,024), in addition employer pension contributions of £23,006 (2022: £21,088) were paid in respect of their services

The Charity's pay structure for employees consists of 46 grades each of which has a set annual salary. We currently use 21 of these grades for roles within the Charity. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs. The grades and related salaries are set by the National Joint Council for Local Government Services.

OBJECTIVES AND ACHIEVEMENTS
Hyndburn Leisure (HL) is a company limited by guarantee with charitable status. It was formed in 2002 to manage the borough's sport and leisure facilities and in 2005 also took on the Council's Arts & Entertainment facilities and community buildings.

HL's objects as stated in its governing document are:

"the provision or assisting in the provision of facilities for recreation or other leisure time occupation for the general public in or in connection with the Borough of Hyndburn and its neighbourhood in the interests of social welfare by improving conditions of life"

In planning and delivering its action plan Trustees have considered Charity Commission guidance relating to public benefit, including the setting of affordable fees and charges and ensuring that programmes and activities meet charitable objectives.

OBJECTIVES AND ACHIEVEMENTS

Key areas of activity

The Trust seeks to provide accessible and affordable sports, leisure, arts and cultural activities to every member of the Hyndburn community, irrespective of age, background or ability.

We further our charitable objectives by operating in the following key areas:

- The Leisure Activity Passport scheme offers significantly reduced admission charges to a wide range of individuals who are on limited incomes, including those who are unemployed, receiving Council Tax or Housing Benefit, those receiving Income Support or Job seekers Allowance, students and those receiving Working Tax Credit.
- The Leisure Activity Passport also provides reduced admission for key priority groups including Hyndburn residents over 60 years of age and the registered disabled (including FREE access to carers).
- Our Swimming Programme offers reduced rate swimming for 4 to 16 year olds during school holiday periods.
- Senior citizens and children receive concessionary rates on the purchase of tickets for our sport and leisure activities and entertainment programme. In addition, free use is offered to children participating in themed activities and events.
- Use of our public halls and community facilities is made available to charitable and non-profit making groups at concessionary rates. We also offer free use for certain categories of users.
- Our Health & Wellbeing services support our communities to improve their health outcomes. The team work in the heart of our communities, workplaces and schools, using their expert knowledge and experience in supporting positive lifestyle changes.
- Free access to leisure provision for armed forces personnel.
- Free access to leisure facilities and financial support for talented athletes.

We want to help our community to feel healthier and more connected. This takes many forms, from learning a life skill like swimming, to dancing it out at a high energy Zumba class with friends. Alongside Accrington Town Hall and three Community Centres hosting a wide range of cultural activities, we're helping people to learn, celebrate, and connect.

ACHIEVEMENTS AND PERFORMANCE

Here at Hyndburn Leisure, we can and will continue to play a vital role in helping our community. We're particularly committed to helping those from marginalised and disadvantaged backgrounds improve their physical and mental health outcomes.

Some operational highlights include:

- Learn to Swim membership at Hyndburn Leisure Centre and Accrington Academy has grown to over 1000. In comparison - pre-covid, the Trust had 642 young people enrolled on the Learn to Swim programme.
- 3118 places have been provided on school holiday, activity and food sessions for young people who are eligible for free school meals.
- There has been a 12% increase in bookings at Accrington Town Hall
- The Trust deliver 76 school swimming lessons per week at Hyndburn Leisure Centre and Accrington Academy.
- A capital refurbishment programme was completed at Clayton Community Centre and the facility re-opened in July 2022 to the community. We now host a growing programme of community activity including; boxing, a choir, exercise classes, early years sessions and a local heritage project.
- Attendances at Adventure City grew from 12,508 in 2021/22 to 23,400 in 2022/23.
- The Trust brought together a range of fantastic local partners to plan and deliver a series of park events, attracting high numbers of young people and families.
- The Trust secured £450k of National Lottery funding to coordinate a health and care project on behalf of the Borough.
- 712 inactive people with at least one long term health condition engaged in the Lifestyle Hub
- 167 attendances every week at Cardiac Rehabilitation classes
- Over £300k invested into maintenance, repairs and capital developments across all facilities
- Almost £2 million of commissions, donations & external grants secured
- Over £900k of funding distributed to residents, businesses, charities and groups across Hyndburn
- 2163 Fitness Member sign ups
- 73% of our employees live in Hyndburn and 43% of employees age 25 or under
- 52 people have been supported to gain or maintain their National Pool Lifeguard Qualification
- 83 sports clubs and groups hosted across our facilities

The Leisure Trust's work continues to centre around improving health outcomes and reducing inequalities for our community. We support participants across a range of services including:

- Cardiac Rehabilitation Phase 4
- Tier 2 Weight Management
- Active Lifestyles Hub (Exercise referral)

We are most proud of the positive impact that these programmes have on people's lives. Helping them to improve their health, often managing long term conditions more effectively and generally improving their overall wellbeing.

We also lead and contribute to a range of projects on behalf of the Borough including:

- Household Support Fund
- National Lottery Healthier Communities Programme (Hyndburn Way)
- Business Health Matters
- Together an Active Future (known locally as Let's Move Hyndburn)
- Holiday Activities Food programme (known locally as Fun with Food & Friends)
- Play and Skills at Teatime Activities

The Future

We're keen to continue to move forward. For 2023/2024, we'll be focusing on growing participation to match - or exceed - pre-pandemic levels. We'll keep providing welcoming experiences. We'll keep supporting people to learn new skills and build positive health behaviours. We'll keep helping them find enjoyable activities. Above all, we'll keep looking after our community.

In 2023/24 and beyond, we'll continue to make our community better by improving the health and happiness of the people who live and work in Hyndburn, but through culture, arts and heritage as well as leisure and sport. We're really excited about this development, and will continue working closely with our Board and trusted partners as well as actively listening to local people to deliver the programmes and events they want and need.

The Trust launches its new 3-year business strategy in March 2024. We are proud of the direction and impact of our work, but also recognise that there's so much more to do. We feel Hyndburn is a vibrant, culturally diverse place to live and work, but not everyone shares that experience. Hyndburn is the 16th most deprived local authority in England, cultural engagement is low, and almost 1 in 3 adults here live an inactive lifestyle. Living healthier, more connected lives is more than a nice-to-have; it's a must-have - and our Trust has a key role to play in delivering this change.

Our mission remains relatively unchanged. It is a living, breathing thing; an approach that underpins every aspect of our work. – *"We inspire people to live healthier, happier lives through leisure, sport and culture – and help make our community a better place for everyone."*

Our new company vision is unapologetically ambitious. It's a statement of intent: where we want to be; where we see our future – *"Improving health – Building community – Transforming lives"*

Our new company values have been designed and agreed by our workforce and Board. They help to guide our work and our plans for the future and are – *Aspire, Inspire and Unite'*

We have four major pillars to our strategy: People, Provision, Partnerships and Performance

We have identified10 key themes through which we'll set out to transform our vision into a reality. These are;

- An active, healthy start
- An active, healthy life
- Culture, arts and heritage
- Community development
- Facility development
- Environmental sustainability
- Workforce
- Digital
- Hospitality
- Marketing and engagement

Our progress against each of these themes will be measured through an outcomes framework and reported within our annual impact report.

GOING CONCERN

The trustees have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net liability position within unrestricted funds as at 31 March 2023.

The trustees have reviewed budgets and cash flow forecasts. Efficiency savings are being delivered and new external grant income streams have been attracted by the management team. The trustees have considered the forecasts, grant funding secured and proposed savings, and consider them to be reasonable.

The trustees recognise the support provided by Hyndburn BC, and are aware of the letter of support received from the council.

After making enquiries and considering the issues described above, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL REVIEW

The financial statements have been prepared on a going concern basis, which presumes that the trust will receive no financial support from the Council by means of a management fee.

Total income for the year 2022/23 was £4,583,647 (2021/22: £3,664,924), an increase of 25%. This was the effect of COVID-19 lockdowns and the impact it had on the operation of leisure and arts facilities in the prior year.

Total expenditure for the year 2022/23 was £5,712,461 (2021/22: £4,112,159), an increase of 39%. This was a result of the facilities being operational again after the COVID-19 lockdowns, and the increase in pension operating charges.

The trust had an overall funds deficit as at 31 March 2023 of £380,453 (2022: £4,249,639), the main component of change in the year was in the pension scheme which experienced a £4,553,000 increase and was a balance sheet asset of £1,247,000 at the year end. The pension scheme was a liability of £3,306,000 in the previous year.

To supplement the provision of high quality leisure facilities the charity is committed to developing a high quality service. The trust is working with partner organisations to introduce cost effective, fit for purpose, peer quality assurance processes.

FINANCIAL REVIEW (CONTINUED)

Reserves policy
It is the aim of the Trustees to build up unrestricted reserves to cover a reasonable level of future management, administration and support costs.

At present the Trust has insufficient reserves to ensure that it can deal with major unexpected adverse developments without direct support from Hyndburn Borough Council. Both Trustees and Executives maintain a regular dialogue with the council to ensure that, should major unexpected adverse developments arise, any difficulties that require attention are addressed in a mutually agreeable manner.

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 conditions.

Trustees have agreed the reserves as follows;

- Hold a minimum cash balance in the bank account of at least £50,000.
- Long term aim to increase the minimum cash balance in the bank account to £200,000.

The Trustees have considered the current adverse economic climate when reviewing their reserves policy.

Investment Powers and Policy
Under the Memorandum and Articles of Association, the Trust has the power to invest in any way the Trustees wish. The Trust having regard to the liquidity requirements of operating leisure facilities, and to the reserves policy, operate a policy of keeping surplus funds available in interest bearing bank accounts.

Principal risks and uncertainties
The Trust is extremely reliant on income from fees & charges, therefore the charity is open to a number of risks which can negatively impact upon the sustainability of the organisation including:

- Uncontrollable budget pressures placed upon the Trust will reduce the Trust's capability to plan and manage the business effectively
- The Trust is subject to elasticity in its demand income and a level of uncontrollable costs
- Delay in progressing the Leisure Transformation will defer income opportunities
- Changes in assumptions in relation to the defined pension scheme liabilities
- Volatility within the investments held within the defined benefit pension scheme
- Uncontrollable increases in the wholesale price of gas and electric
- The UK cost of living crisis currently being experienced.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Hyndburn Leisure 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

In so far as the trustees are aware, there is no relevant information of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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.

Approval

This report was approved by the trustees on 29th February 2024 and signed on its behalf by

Ciaran Wells

Ciaran Wells
Trustee/Chair of the Board

Opinion

We have audited the financial statements of Hyndburn Leisure (the 'charity') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

We draw attention to the Accounting Policies, which highlight the charity's reliance on the support from Hyndburn Borough Council. The board members have concluded that the charity remains a going concern, however these events mean a material uncertainty exists that may cast doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

<u>Identifying and assessing potential risks related to irregularities</u>
In identifying and assessing risks of material misstatement in respect of irregularities, we considered the following:

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

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

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

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

Audit response to risks identified

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

Date: 29th February 2024

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total Funds £
INCOME					
Income from donations					
Donations	2	**270,325**	-	**270,325**	466,325
Income from charitable activities	3				
Operation of sports facilities		**2,202,201**	**1,843,651**	**4,045,852**	2,773,941
Operation of town hall and similar buildings		**234,505**	**17,500**	**252,005**	237,827
Income from other activities	4				
Commercial operations		**14,414**	-	**14,414**	186,776
Investments		**1,051**	-	**1,051**	55
Total income		**2,722,496**	**1,861,151**	**4,583,647**	3,664,924
EXPENDITURE					
Charitable activities	5				
Operation of sports facilities		**3,057,923**	**1,593,019**	**4,650,942**	3,365,199
Operation of town hall and similar buildings		**596,311**	**20,208**	**616,519**	379,960
Pension operating charge		**356,000**	-	**356,000**	282,000
Net interest on pension scheme liability	18	**89,000**	-	**89,000**	85,000
Total expenditure		**4,099,234**	**1,613,227**	**5,712,461**	4,112,159
NET INCOME/(EXPENDITURE)		**(1,376,738)**	**247,924**	**(1,128,814)**	(447,235)
Transfers between funds		**77,564**	**(77,564)**	-	-
		(1,299,174)	**170,360**	**(1,128,814)**	(447,235)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	18	**4,998,000**	-	**4,998,000**	1,201,000
NET MOVEMENT IN FUNDS		**3,698,826**	**170,360**	**3,869,186**	753,765

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total Funds £
NET MOVEMENT IN FUNDS		**3,698,826**	**170,360**	**3,869,186**	753,765
RECONCILIATION OF FUNDS					
Total funds brought forward		**(4,303,201)**	**53,562**	**(4,249,639)**	(5,003,404)
TOTAL FUNDS CARRIED FORWARD		**(604,375)**	**223,922**	**(380,453)**	(4,249,639)

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

All income and expenditure derive from continuing activities.

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2023

	Notes	31.3.23 £	31.3.22 £
FIXED ASSETS			
Tangible assets	9	**561,229**	491,902
CURRENT ASSETS			
Stock	10	**10,189**	10,189
Debtors	11	**389,343**	434,350
Cash at bank and in hand		**344,008**	347,543
		743,540	792,082
CURRENT LIABILITIES			
Amounts falling due within one year	12	**(1,705,450)**	(932,057)
NET CURRENT LIABILITIES		**(961,910)**	(139,975)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(400,681)**	351,927
LONG TERM LIABILITIES			
Amounts falling due after more than one year	13	**(1,226,772)**	(1,295,566)
NET LIABILITIES EXCLUDING PENSION DEFICIT		**(1,627,453)**	(943,639)
PENSION SCHEME SURPLUS/(DEFICIT)	18	**1,247,000**	(3,306,000)
NET LIABILITIES INCLUDING PENSION DEFICIT		**(380,453)**	(4,249,639)
FUNDS			
Unrestricted funds	16	**(1,851,375)**	(997,201)
Restricted funds	17	**223,922**	53,562
Pension scheme surplus/(deficit)	18	**1,247,000**	(3,306,000)
TOTAL FUNDS		**(380,453)**	(4,249,639)

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2023

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1st January 2015).

The financial statements were approved by the Board of Trustees on 29th February 2024 and were signed on its behalf by:

Ciaran Wells

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Ciaran Wells
Trustee/Chair of the Board

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from charitable activities			
Cash generated from activities	1	**294,315**	391,957
Net cash from charitable activities		**294,315**	391,957
Cash flows from investing activities			
Interest income		**1,051**	55
Interest paid		**(36,080)**	(33,009)
Sale proceeds		**225**	1,350
Purchase of tangible fixed assets		**(157,640)**	(251,445)
Net cash from investing activities		**(192,444)**	(283,049)
Cash flows from financing activities			
New borrowings in the year		-	-
Capital repayments in the year		**(105,406)**	(95,252)
Net cash from financing activities		**(105,406)**	(95,252)
Increase/(decrease) in cash and cash equivalents		**(3,535)**	13,656
Cash and cash equivalents at the beginning of the year	2	**347,543**	333,887
Cash and cash equivalents at the end of the year	2	**344,008**	347,543

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.23	31.3.22
	£	£
Deficit for the year (before gains and losses on the pension scheme)	**(1,128,814)**	(447,235)
Interest receivable	**(1,051)**	(55)
Interest payable	**36,080**	33,009
Depreciation charges	**88,313**	84,489
Pension scheme operating and interest costs	**445,000**	367,000
Profit and loss on the disposal of assets	**(225)**	(1,350)
	(560,697)	35,858
Decrease/(increase) in stocks	**-**	(4,009)
Decrease/(increase) in trade and other debtors	**45,007**	(91,442)
(Decrease)/Increase in trade and other creditors	**810,005**	451,550
Cash generated from charitable activities	**294,315**	391,957

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2023

	31.3.23	**1.4.22**
	£	**£**
Cash and cash equivalents	**344,008**	**347,543**

Year ended 31st March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	347,543	333,887

1. ACCOUNTING POLICIES

Company Information
Hyndburn Leisure is a charitable company, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the Company Information page. Each member's personal liability is limited to an amount not exceeding £1.

Basis of preparing the financial statements
The financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due. The related party, Hyndburn Borough Council, have confirmed their commitment to financial support of the charity, including continued support of the charity in its cash flow requirements within agreed terms and levels. The trustees have considered this support, along with the cashflow forecasts and budgets. Accordingly, the trustees have concluded that it is appropriate for these financial statements to be prepared on the going concern basis.

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

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

Freehold property	- 2% Straight line
Improvements to property	- 10% Straight line
Facilities	- Fully depreciated
Fixtures and equipment	- 10-25% Straight line
Plant and machinery	- 15% Straight line

Fixed assets are stated at cost less accumulated depreciation. Assets are also subject to an annual review to identify any indicators of impairment.

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

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

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

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

Pension costs and other post-retirement benefits
The charity participates in the Lancashire County Pension Fund defined benefit scheme. Although the scheme is a multi-employer scheme it is possible to allocate a share of the assets and liabilities to the charity and hence contributions are accounted for as a defined benefit scheme in accordance with FRS 102.

The charity also participates in the NHS Pension Fund defined benefit scheme. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities. The pension contributions made during the financial period are therefore treated as if the scheme is a defined contribution scheme and recognised in the Statement of Financial Activities.

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

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

Debtors and Creditors
Short term debtors and creditors are measured at transaction price, less any impairment.

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

2. DONATIONS

	31.3.23	31.3.22
	£	£
Gifts in kind – use of buildings	**270,325**	270,325
Donated assets	**-**	196,000
	270,325	466,325

In 2022, of the total donation income, £466,325 was unrestricted funds.

During the prior year the charity was donated Clayton Civic Hall from Hyndburn Borough Council. The property was valued at £196,000 at the date of transfer.

3. CHARITABLE ACTIVITIES

	31.3.23	31.3.22
	£	£
Unrestricted income:		
Grants from Hyndburn Borough Council	**280,540**	-
Covid-19 grant from Hyndburn Borough Council	**-**	108,395
Local council Covid-19 business grants	**-**	78,551
Operational income from Hyndburn Borough Council	**49,813**	86,542
Job retention scheme grants	**-**	8,562
Income from the operation of leisure and arts facilities	**2,106,353**	1,570,432
	2,436,706	1,852,482
Restricted income:		
Bridging Communities	**7,400**	99,702
Business Health Matters	**96,931**	16,500
Cardiac Grant	**16,668**	-
Community Champions Fund	**-**	147,891
Community Ownership Fund	**185,016**	-
Culture and Heritage Fund	**462**	-
Events at Accrington Town Hall	**18,677**	109
Fixed assets	**-**	1,055
Green Gym	**-**	2,240
Healthier Communities	**145,555**	31,790
Holiday Activity Fund	**404,228**	349,381
Household Support Fund	**728,788**	131,595
Innovate UK	**2,926**	-
Lancashire environmental fund	**-**	30,000
National Lottery Grant	**8,328**	119,690
PASTA	**38,375**	7,235
Phase 4 at Accrington Town Hall	**-**	2,033
Suicide Prevention Fund	**101**	-
Together an Active Future – Sport England	**142,801**	143,614
Warm Space Grant	**500**	-
Weight Management – Lancashire County Council	**64,395**	76,451
	1,861,151	1,159,286
	4,297,857	3,011,768

4. OTHER ACTIVITIES – COMMERCIAL OPERATIONS

	31.3.23	31.3.22
	£	£
Income from delivery of the Covid Community Hub	-	186,776
Other commercial income	14,414	-
	14,414	186,776

In 2022, of the total other activities income, £186,776 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES - 2023

	Sports facilities	Town hall & buildings	Total 2023
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	1,203,188	278,635	1,481,823
Other staff costs	8,396	2,420	10,816
Premises costs	654,262	84,855	739,117
Promotions and marketing	1,772	2,150	3,922
Depreciation	81,498	202	81,700
Profit and loss on disposal	225	-	225
Gifts in kind – use of buildings	270,325	-	270,325
Other costs	190,141	99,081	289,222
	2,409,807	467,343	2,877,150
Support and governance costs allocated:			
Support costs (note 6)	624,734	124,408	749,142
Governance costs (note 6)	23,382	4,560	27,942
	648,116	128,968	777,084
	3,057,923	596,311	3,654,234
Restricted expenses (note 17):			
Salaries, NI and pensions	556,103	-	556,103
Other staff costs	1,015	-	1,015
Premises costs	2,214	-	2,214
Promotions and marketing	4,440	-	4,440
Depreciation	6,611	-	6,611
Project delivery costs	1,011,109	20,208	1,031,317
Other costs	11,527	-	11,527
	1,593,019	20,208	1,613,227
	4,650,942	616,519	5,267,461

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED) - 2022

	Sports facilities	Town hall & buildings	Total 2022
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	774,592	143,995	918,587
Other staff costs	7,272	2,530	9,802
Premises costs	449,964	78,432	528,396
Promotions and marketing	4,667	1,549	6,216
Depreciation	80,317	895	81,212
Notional cost of gym equipment	(1,350)	-	(1,350)
Gifts in kind – use of buildings	270,325	-	270,325
Bad and doubtful debts	7,053	-	7,053
Other costs	139,256	53,769	193,025
	1,732,096	281,170	2,013,266
Support and governance costs allocated:			
Support costs (note 6)	472,432	93,219	565,651
Governance costs (note 6)	32,805	5,571	38,376
	505,237	98,790	604,027
	2,237,333	379,960	2,617,293
Restricted expenses:			
Salaries, NI and pensions	656,551	-	656,551
Other staff costs	21	-	21
Premises costs	5,540	-	5,540
Promotions and marketing	220	-	220
Depreciation	3,153	-	3,153
Project delivery costs	13,721	-	13,721
Other costs	448,660	-	448,660
	1,127,866	-	1,127,866
	3,365,199	379,960	3,745,159

6. GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the cost of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two charitable activities (see note 5) in the year.

The costs are apportioned on the following basis:

Salaries, NI and pensions – Allocated on a time basis
All other costs – Pro rata to direct (non-salary related) costs

7. NET MOVEMENT IN FUNDS

Net resources are stated after charging:

	31.3.23	31.3.22
	£	£
Auditors' remuneration: Audit fee	**8,200**	8,200
Auditors' remuneration: Non-audit services	**12,251**	9,900
Operating lease rentals – other	**458**	2,629
Operating lease rentals – property	**270,325**	270,325
Indemnity insurance for trustees and senior staff	**402**	1,400
Depreciation	**81,498**	84,488
Profit and loss on disposal	**225**	(1,350)

8. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	**2,043,461**	1,571,801
Social security costs	**118,194**	93,776
Other pension costs	**278,256**	230,568
	2,439,911	1,896,145

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

	31.3.23	31.3.22
Employees	**157**	133

Due to reliance on seasonal workers, class instructors and casual bank staff, the number of employees can vary materially during the course of any one year.

One employee was paid over £60,000 for the year ended 31st March 2023 but none for the year ended 31st March 2022. The number of employees whose total employee benefits excluding pension contributions earning over £60,000, classified within bands of £10,000 is as follows.

	31.3.23	31.3.22
£60,000-£69,999	**1**	-

Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £144,280 (2022: £121,024), in addition employer pension contributions of £23,006 (2021: £21,088) were paid in respect of their services.

Trustees' Remuneration
No trustees received remuneration for their roles as trustees for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' Expenses
There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to property £	Facilities £	Fixtures & Equipment £	Totals
COST					
At 1st April 2022	**235,231**	**435,602**	**371,163**	**1,304,268**	**2,346,264**
Additions	**157,640**	**-**			**157,640**
At 31st March 2023	**392,871**	**435,602**	**371,163**	**1,304,268**	**2,503,904**
DEPRECIATION					
At 1st April 2022	**784**	**336,944**	**371,163**	**1,145,471**	**1,854,362**
Charge for year	**5,229**	**19,998**	**-**	**63,086**	**88,313**
At 31st March 2023	**6,013**	**356,942**	**371,163**	**1,208,557**	**1,942,675**
NET BOOK VALUE					
At 31st March 2023	**386,858**	**78,660**	**-**	**95,711**	**561,229**
At 31st March 2022	234,447	98,658	-	158,797	491,902

10. STOCK

	31.3.23 £	31.3.22 £
Bar stocks	**6,771**	6,771
Pool chemicals	**1,085**	1,085
Vending and food	**2,333**	2,333
	10,189	10,189

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	**86,395**	79,363
Prepayments and accrued income	**305,948**	354,987
	392,343	434,450

Debtors include £nil in respect of grants receivable at the year end. All amounts shown under debtors fall due for payment within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	**122,398**	-
Taxation and social security	**87,992**	44,743
Amounts owed to Hyndburn Borough Council	**886,046**	316,041
Hire purchase contracts	**3,648**	42,127
Accruals and deferred income	**605,366**	529,146
	1,705,450	932,057

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.23	31.3.22
	£	£
Amounts owed to Hyndburn Borough Council	**1,226,772**	1,291,918
Hire purchase contracts	**-**	3,648
	1,226,772	1,295,566

Included in the above amount owed to Hyndburn Borough Council is an amount totalling £946,379 which is repayable in more than 5 years and by instalments. Hyndburn Borough Council have a fixed and floating charge over all assets of the charity in relation to all balances owed to them.

14. OPERATING LEASE COMMITMENTS

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

	31.3.23	31.3.22
	£	£
Expiry date:		
Within 1 year		
Between one and five years	-	438
	-	438

15. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.23 Total funds	31.3.22 Total Funds
	£	£	£	£
Fixed assets	**390,452**	**170,777**	**561,229**	491,902
Current assets	**690,395**	**53,145**	**743,540**	792,082
Current liabilities	**(1,705,450)**	-	**(1,705,450)**	(932,057)
Long term liabilities	**(1,226,772)**	-	**(1,226,772)**	(1,295,566)
Pension scheme surplus	**1,247,000**	-	**1,247,000**	(3,306,000)
	(604,375)	**223,922**	**(380,453)**	(4,249,639)

16. UNRESTRICTED FUNDS

	Pension (deficit)/surplus	General funds	Designated funds	Total funds
	£	£	£	£
Balance at 1st April 2022	(3,306,000)	(999,282)	2,081	(4,344,792)
Net income / (expenditure)	4,553,000	(931,738)	-	3,621,259
Transfers between funds	-	78,173	(609)	77,564
	1,247,000	(1,852,847)	1,472	(604,375)

General fund

The general fund consists of the total of free reserves available to spend on the objectives of the charity. As these are negative, the trustees have considered this when reviewing the going concern status of the charity and are satisfied that the charity remains a going concern particularly in light of the on-going support provided by Hyndburn Borough Council.

17. RESTRICTED FUNDS

	At 1st April 2022	Incoming resources	Outgoing resources	Fund transfers	At 31st March 2023
	£	£	£	£	£
Project fund					
Bridging Communities	-	7,400	(7,400)	-	-
Business Health Matters	-	96,931	(96,931)	-	-
Cardiac Grant	-	16,668	(16,668)	-	-
Community Ownership Fund	-	185,016	(27,377)	(157,639)	-
Culture and Heritage Fund	-	462	(462)	-	-
Events at Accrington Town Hall	3,813	18,677	(20,208)	-	2,282
Fixed assets	19,749	-	(6,611)	157,639	170,777
Healthier Communities	-	145,555	(115,892)	(17,681)	11,982
Holiday Activity Fund	-	404,228	(333,190)	(58,723)	12,315
Household Support Fund	-	728,788	(728,788)	-	-
Innovate UK	-	2,926	(2,926)	-	-
Lancashire Environmental Fund	30,000	-	(30,000)	-	-
National Lottery Grant	-	8,328	-	-	8,328
PASTA	-	38,375	(18,977)	(1,160)	18,238
Suicide prevention Fund	-	101	(101)	-	-
Together an Active Fund	-	142,801	(142,801)	-	-
Warm Space Grant	-	500	(500)	-	-
Weight Management	-	64,395	(64,395)	-	-
	53,562	1,861,151	(1,613,227)	(77,564)	223,922

17. RESTRICTED FUNDS (CONTINUED)

Business Health Matters
The Business Health Matters programme has been developed to support local businesses in improving the physical and mental health of their employees so that staff are happier, healthier and more resilient.

Cardiac Grant
The cardiac grant supports 17 hours to provide a 12 week cardiac rehab referral programme, that provides low level classes and education sessions, supported by the Health Activator team.

Community Ownership Fund
For the purposes of this Fund, community ownership refers to the ownership and management of local community assets by a community organisation in order to deliver benefits for the community and place.Community ownership of assets can boost local connections, participation and pride of place, and bolster community resilience.

Events at Accrington Town Hall
Funding from the council to contribute to events run from Accrington Town Hall.

Fixed Asset Fund
Restricted element of grants received for the purchase of fixed assets.

Healthier Communities
This programme was set up and funded to empower voluntary and community sector organisations to work together with the local health and care sector to boost the health and wellbeing of their communities.

Holiday Active Fund
The purpose of this funding was to make free places at holiday clubs available in the Summer, Spring, and Winter holiday periods to children in their local authority area in receipt of benefits-related free school meals.

Household Support Fund
The Household Support Fund, provided by the Department for Work and Pensions, was introduced in October 2021 last year to support vulnerable households with essentials like food, energy and water bills and household items.

Lancashire Environmental Fund
The Lancashire Environmental Fund (LEF) is a partnership between SUEZ Recycling and Recovery UK Ltd, Lancashire County Council, The Wildlife Trust for Lancashire, Manchester and North Merseyside and Community Futures.

The Fund has distributed support to community and environmental projects which benefit the environment and people of Lancashire.

PASTA
PASTA (Play and Skills at Tea-time Activities) after school clubs provided a targeted programme for local families with the aim of promoting healthier eating and physical activity in a fun, interactive and safe environment.

17. RESTRICTED FUNDS (CONTINUED)

Together an Active Fund
Funding has been received from Sport England to identify innovative solutions to make it easier for people in specific areas to access sport and physical activity.

Up and Active
Up and active is the East Lancashire consortium led by a partnership of four Trusts, formed in 2015 to deliver the Lancashire County Council public health agenda, promoting healthy lives, weight loss and general wellbeing.

Weight Management
We are seeking to provide an accessible tier 2 adult weight management service, which supports obese adults to lose weight and improves knowledge and skills in maintaining healthy weight, as part of wider programmes which promote healthy weight and physical activity in localities. This will form an integral part of the NHS Health Checks care pathway and wider obesity pathways.

18. PENSION ARRANGEMENTS

Net Pension surplus/(deficit):

	31.3.23	31.3.22
	£	£
Lancashire County Pension Scheme	**1,247,000**	(3,306,000)
	1,247,000	(3,306,000)

Lancashire County Pension Fund

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 £278,256 (2022: £230,568) were paid to the scheme.

The following calculations as at 31st March 2023 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method. Principal actuarial assumptions used by the actuary were as follows:

	31.3.23	31.3.22
Rate of CPI inflation	**2.70**	3.30
Rate of increase in salaries	**4.20**	4.80
Rate of increase in pensions	**2.80**	3.40
Discount rate	**4.80**	2.80
Life expectancy of a male future pensioner aged 65 in 20 years' time	**22.80**	23.70
Life expectancy of a female future pensioner aged 65 in 20 years' time	**25.60**	26.80
Life expectancy of a male current pensioner aged 65	**21.50**	22.30
Life expectancy of a female current pensioner aged 65	**23.80**	25.00

The amounts recognised in the balance sheet are as follows:

	31.3.23	31.3.22
	£	£
Present value of funded obligations	**(7,465,000)**	(11,807,000)
Fair value of plan assets	**8,712,000**	8,501,000
Net pension surplus/(deficit)	**1,247,000**	(3,306,000)

18. PENSION ARRANGEMENTS (CONTINUED)

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.23	31.3.22
	£	£
Operating charge		
Current service cost	**620,000**	498,000
Administration expenses	**9,000**	7,000
Total operating charge	**629,000**	505,000
Other finance costs		
Expected return on pension scheme assets	**(239,000)**	(155,000)
Interest on pension scheme liabilities	**328,000**	240,000
Net charge	**89,000**	85,000
Total charge to resources expended in Statement of Financial Activities	**718,000**	590,000

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

	31.3.23	31.3.22
	£	£
Actuarial gains/(losses) on assets	**(99,000)**	902,000
Actuarial gains/(losses) on liabilities	**5,097,000**	299,000
Actuarial gain / (loss) recognised	**4,998,000**	1,201,000

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

	31.3.23	31.3.22
	£	£
Opening defined benefit obligation	**11,807,000**	11,475,000
Current service cost	**620,000**	498,000
Interest on pension scheme liabilities	**328,000**	240,000
Employee contributions	**91,000**	73,000
Actuarial (gains)/losses	**(5,097,000)**	(299,000)
Benefits paid / transfers	**(284,000)**	(180,000)
Closing defined benefit obligations	**7,465,000**	11,807,000

18. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.23	31.3.22
	£	£
Opening fair value of plan assets	**8,501,000**	7,335,000
Expected return on plan assets	**239,000**	155,000
Actuarial gains	**(99,000)**	902,000
Employer contributions	**(9,000)**	223,000
Employee contributions	**273,000**	73,000
Administration expenses	**91,000**	(7,000)
Benefits paid / transfers	**(284,000)**	(180,000)
Closing fair value of plan assets	**8,712,000**	8,501,000

The split of assets between investment categories is as follows:

	2023	**2023**	2022	2022
	£	**%**	£	%
Equities	**9,000**	**0.10**	8,000	0.10
Government bonds	**-**	**-**	68,000	0.80
Other bonds	**17,000**	**0.20**	-	-
Property	**131,000**	**1.50**	136,000	1.60
Cash/liquidity	**70,000**	**0.80**	213,000	2.50
Other	**8,485,000**	**97.40**	8,076,000	95.00
	8,712,000	**100.00**	8,501,000	100.00

Amounts for the current and previous periods are as follows:

	2023	2022	2021	2020
	£	£	£	£
Defined benefit obligation	**(7,465,000)**	(11,807,000)	(11,475,000)	(9,298,000)
Plan assets	**8,712,000**	8,501,000	7,335,000	6,517,000
	1,247,000	(3,306,000)	(4,140,000)	(2,781,000)

A full actuarial review of the scheme was undertaken as at 31st March 2022.

Following the full actuarial valuation at 31st March 2022, employer contributions were agreed to stay at a rate of 16.10% with effect from 1st April 2022.

The current estimate of employer contributions for the year ended 31st March 2024 is £244,000. Implied service cost is estimated at £234,000 and a net interest and administration cost at £57,000 resulting in the surplus increasing by an estimated £67,000 to £1,314,000.

19. RELATED PARTY TRANSACTIONS

The charity receives a level of grant funding from Hyndburn Borough Council. The Council also has the power to appoint up to two trustees of the charity. The grant funding received during the year and the amounts owed to Hyndburn Borough Council at 31 March 2023 are summarised as follows:

	31.3.23	31.3.22
	£	£
Unrestricted grant income	**280,540**	-
COVID-19 Grant funding receivable – unrestricted	**-**	108,395
Unrestricted operational income	**49,813**	86,542
Net amounts owed to Hyndburn Borough Council	**2,112,818**	1,607,959

Certain properties, occupied and operated by the charity, are provided by Hyndburn Borough Council on a peppercorn rent in accordance with the earliest lease expiring on 31 March 2027. The estimated benefit of the low rentals for these properties is £270,325 (2022: £270,325).

20. 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 current liabilities and net total liabilities (including the pension scheme surplus) as at 31st March 2023 because the trustees are satisfied that subject to the reservations identified in the Going Concern paragraph in the Trustees Report and Accounting Policies, 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 2027 of the leases;
e) The competencies of the executive staff employed by the charity;
f) The actual performance to date for the financial year ending 31st March 2024.
g) The details included in the Report of the Trustees which sets out the impact of the energy price rises and cost of living crisis.

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

HYNDBURN LEISURE

England & Wales - Charity number 1090528

Accounts

REGISTERED COMPANY NUMBER: 04270411 (England and Wales)
REGISTERED CHARITY NUMBER: 1090528

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

FOR

HYNDBURN LEISURE

(A COMPANY LIMITED BY GUARANTEE)

Hyndburn Leisure

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31ST MARCH 2022

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HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

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 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04270411 (England and Wales)

Registered Charity number
1090528

Registered office
Accrington Town Hall
Blackburn Road
Accrington
Lancashire
BB5 1LA

Trustees
Ciaran Wells – Chair
Irene Ryan
Anne Ellwood
Marie Demaine
Patrick Swanney (Resigned 27th November 2021)
Peter Baron
Cllr Munsif Dad BEM (Resigned 21st June 2022)
Ken Moss (Appointed 25th August 2022)

Key Management Personnel	**Position**
Lyndsey Sims	Chief Executive
Joanne Mortimer	Head of Operations & Strategic Projects
Linda Horsfield	Head of Health & Community Development

Company Secretary
Lyndsey Sims

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

Bankers
Natwest
PO Box No2
St James Street
Accrington
Lancashire
BB5 1NB

FOREWORD BY CHAIR

Welcome to Hyndburn Leisure Trusts Annual Report for the financial year 2021/22. This report provides an overview of our main areas of activity, highlights achievements and outlines future plans.

At Hyndburn Leisure, our mission is simple: to make our community better. Communities are powered by people, and so we believe the key to making Hyndburn a better place is through the people who live and work here – through their health, and their happiness. Never has this been more true – or more important – than in 2021 and 2022 as we've continued to live through an unprecedented global health pandemic.

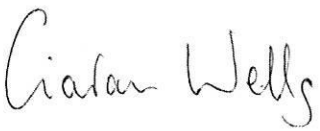
As a charitable trust, every penny that we make goes back into our community. And although we've never seen a year quite like 2021/22, our approach is the same as it's always been. We work with our local council and Board of Trustees as well as other trusted and valuable partners to deliver the programmes local people want and need, and we'll continue to do so. We're embedded in Hyndburn, and we listen.

As always, the achievements we're proudest of this year are the ones with people at their centre. Stories of people rising to the challenge. Stories of inclusion, engagement and connection. People making incremental, sustainable changes and noticing remarkable results. People rising to the challenge. We'll be sharing these stories in the pages that follow.
It's also important for us to state our impact in measurable terms. We're proud to be part of a UK-wide network of Leisure & Cultural Trusts which generates a social value worth £1.5billion each year. 2021/22 is also the first financial year that we've operated without a Council management grant. Since 2008/09 our management fee has reduced drastically, from 47% of our turnover to 0%. We'll dig into these figures and explain what they mean for the people of our borough and beyond.

What's next for Hyndburn? Well, we've got some exciting projects on the horizon, including a £12million Leisure Transformation programme which will see the borough's leisure premises and facilities redeveloped. This programme simply wouldn't be possible without our strong relationship with Hyndburn Borough Council, and we're so grateful for their support.

We're also committed to contributing to the Council's pledge to net-zero carbon emissions by 2030. There's a major decarbonisation scheme underway at Hyndburn Leisure Centre, and it's projected to reduce emissions by up to 74%. We're excited to bring the centre closer to our planet-friendly values.

Of course, despite our successes this year, none of this has been easy, and we're not about to get complacent. Global instability and the energy crisis will present more challenges alongside an inevitably tough pandemic recovery process. Still, we're determined to work hard to maximise our income and reduce our expenditure, all while delivering positive health outcomes and providing paid employment to a significant number of local residents. With the help of our incredible people and partners, we know we'll get there.



Chair – Ciaran Wells

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hyndburn Leisure is both a registered charity and a company limited by guarantee; governed by its Articles of Association. The trustees delegate the day to day management to the Chief Executive Officer, Lyndsey Sims.

The Trust adheres to the Nolan rules for Standards in Public Life. Whilst undertaking a review of governance, the Trustees have also reviewed the recommendations in "Good Governance, A Code for the Voluntary and Community Sector" and do not believe the Trust has any standards at variance with that code which require disclosure. The Trust's ethical policy is;

"All delegations must be exercised in accordance with the law and having regard to any lawful direction and/or guidance subsequently issued by Parliament and/or any other appropriate funding body.

Furthermore, all HR and people issues will be handled fairly, consistently and in accordance with relevant legislation, ACAS Codes of Practice and Chartered Institute of Personnel & Development (CIPD) advice and best practice."

Directors and Trustees

The directors of the limited company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Recruitment and appointment of new Trustees

As set out in the Articles of Association, the Chair of the Trustees is nominated by the members of the Board of Trustees. The Board of Trustees comprises a minimum of five Trustees and a maximum of fifteen.

The Charity aims to maintain a broad range of skills on the Board of Trustees to contribute to the success of the Charity. The composition of the Board of Trustees may include two trustees appointed by Hyndburn Borough Council and persons from time to time employed by the charity may collectively appoint one person as a trustee.

Trustees Induction and Training

New Trustees undergo orientation sessions and receive literature and training to provide them with an understanding of their legal obligations under both charity and company law, the content of the Articles of Association, the committee and decision making process, the business plan and recent financial performance of the Charity. The Trust also seeks to identify appropriate training and update sessions for the Trustee's.

Retirement of Trustees

Appointed trustees shall stay in office until such time as they retire or are removed in accordance with the Articles.

Board meetings

The trustees meet every three months. There is also a sub-committee which covers resource management including finance and corporate performance that meets every three months prior to each board meeting.

Indemnity Insurance
During the year the charity maintained indemnity insurance for the Trustees and senior staff to indemnify them against the consequences of unintentional neglect or default on their part.

Related parties
The Trust has a close relationship with Hyndburn Borough Council (Council) for whom it manages the borough's sports leisure and culture facilities and three community centres. Council facilities include; Hyndburn Leisure Centre, Mercer Hall Leisure Centre, Accrington Town Hall, Wilson's Playing Fields, Clayton Civic Hall, Bank Mill House and Oswaldtwistle West End. The facilities estate includes; two swimming pools, two state-of-the-art gyms, a soft play centre, two thermal suites, three squash courts and an events and entertainment venue.

There is one Council nominated trustee on the Board. In addition, the Chief Executive of the Trust has regular meetings with the Deputy Chief Executive of the Council, who is the Trust's liaison, who also attends Board meetings.

The Trust has an agreement with the Council to operate the Council's Leisure, community and culture facilities. The outcomes of which are determined by a number of agreed partnership objectives.

Risk management
The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Pay and Remuneration
Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £121,024 (2021: £119,031), in addition employer pension contributions of £21,088 (2021: £18,695) were paid in respect of their services

The Charity's pay structure for employees consists of 46 grades each of which has a set annual salary. We currently use 21 of these grades for roles within the Charity. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs. The grades and related salaries are set by the National Joint Council for Local Government Services.

OBJECTIVES AND ACHIEVEMENTS

Hyndburn Leisure (HL) is a company limited by guarantee with charitable status. It was formed in 2002 to manage the borough's sport and leisure facilities and in 2005 also took on the Council's Arts & Entertainment facilities and community buildings.

HL's objects as stated in its governing document are:

"the provision or assisting in the provision of facilities for recreation or other leisure time occupation for the general public in or in connection with the Borough of Hyndburn and its neighbourhood in the interests of social welfare by improving conditions of life"

In planning and delivering its action plan Trustees have considered Charity Commission guidance relating to public benefit, including the setting of affordable fees and charges and ensuring that programmes and activities meet charitable objectives.

Key areas of activity
The Trust seeks to provide accessible and affordable sports, leisure, arts and cultural activities to every member of the Hyndburn community, irrespective of age, background or ability.

We further our charitable objectives by operating in the following key areas:

- The Leisure Activity Passport scheme offers significantly reduced admission charges to a wide range of individuals who are on limited incomes, including those who are unemployed, receiving Council Tax or Housing Benefit, those receiving Income Support or Job seekers Allowance, students and those receiving Working Tax Credit.
- The Leisure Activity Passport also provides reduced admission for key priority groups including Hyndburn residents over 60 years of age and the registered disabled (including FREE access to carers).
- Our Swimming Programme offers reduced rate swimming for 4 to 16 year olds during school holiday periods.
- Senior citizens and children receive concessionary rates on the purchase of tickets for our sport and leisure activities and entertainment programme. In addition, free use is offered to children participating in themed activities and events.
- Use of our public halls and community facilities is made available to charitable and non-profit making groups at concessionary rates. We also offer free use for certain categories of users.
- Our Health & Wellbeing services support our communities to improve their health outcomes. The team work in the heart of our communities, workplaces and schools, using their expert knowledge and experience in supporting positive lifestyle changes.
- Free access to leisure provision for armed forces personnel.
- Free access to leisure facilities and financial support for talented athletes.

ACHIEVEMENTS AND PERFORMANCE

We want to help our community to feel better – a mission that took on even more relevance in 2021/22. This takes many forms, from learning a life skill like swimming, to dancing it out at a high energy Zumba class with friends. Alongside Accrington Town Hall and three Community Centres hosting a wide range of cultural activities, we're helping people to learn, celebrate, and connect: crucial for a new normal.

Now, more than ever, we're going to need our community. April 2021 saw an end to our previous financial support from Hyndburn Borough Council. Now that we rely solely on fees, charges and external grants to operate the charity, we need to grow.

It's been a tough journey. Pandemic-related closures meant membership and participation levels dropped for much of December 2020 - April 2021. We've loved seeing so many members and customers returning since reopening, but we're still not where we want to be compared to pre-pandemic levels. It's not just us, of course. Nationwide, participation in August 2021 was (according to sector reports), on average, 62% of August 2019 levels. Sector reports also indicate that the condition of our facilities has also affected our engagement rates.

Health & Wellbeing

'Wellness' has taken on a new significance – and perhaps even a new meaning – in our post-pandemic world. Deprivation and other inequalities have long been known to have a substantial impact on measures such as life expectancy, but Covid-19 has put this reality under the spotlight.

Here at Hyndburn Leisure, we can and will continue to play a vital role in helping our community. And as we adapt to living with coronavirus, we're particularly committed to helping those from marginalised and disadvantaged backgrounds improve their physical and mental health outcomes.

We have been delighted to welcome back previous and new participants to a range of services and programmes including:

- Cardiac Rehabilitation Phase 4
- Healthy Weight services
- Community Champions
- Lifestyle Hub (Up & Active)
- Business Health Matters
- Play and Skills at Teatime Activities

We want everyone to be able to live well; not just those who find good health easily accessible and achievable. Therefore, through our preventative and early intervention health projects we deliver targeted support to around 1,000 local people every year who are facing the greatest barriers to active, healthy lifestyles. These include women and girls, older people, those living with disabilities, chronic and other challenging conditions, minority ethnic groups and those from low-income and disadvantaged backgrounds. We're also combatting loneliness and social isolation by making as many of our sessions as possible group-based and community-orientated.

The benefits are clearly apparent, and our services are in demand. Each month, we receive around 60 referrals from local health and social care professionals, and our services attract over half a million annual visits. We're working with a wide range of organisations, groups and clubs across the borough to maximise our impact. Most recently, we've launched the 'Let's Move Hyndburn' pilot, bringing over £600k of investment into the borough to address inactivity.

Investing in the Borough

Our investment begins at home: that is, with our employees. Without our people – of whom 73% live in Hyndburn, and 47% are aged under 25 – we simply wouldn't be able to deliver the range of quality services we're proud to offer.

And speaking of investment beginning at home, it also means investing in the Council's Leisure Estate. This year, we've spent over £350k across six facilities in the form of maintenance, repairs and capital developments. We're also thrilled to have secured over £2.2 million of funding for Hyndburn's Leisure Estate, including a major decarbonisation scheme. This ambitious project will see Hyndburn Leisure Centre's energy infrastructure completely transformed and carbon emissions cut by an incredible 74%.

We've also continued to invest in our broader community. This has meant leading the Hyndburn Hub service: an umbrella for over 60 local organisations offering support to anyone struggling while shielding. This has been a vital lifeline for so many in the area, with a real, tangible impact.

Unsurprisingly, though, our key efforts in this area have been to lead initiatives – and seek out new opportunities for investment in the area – with a direct and positive impact on local people's wellbeing and health outcomes. For example, the Sport England, Pennine Lancashire Local Delivery pilot will move into its accelerator phase during 2022, and we're excited to support more people to move from 'nothing' to 'something', and then 'something' to 'more'.

Our Healthy Communities Together project, funded by the National Lottery, also falls into this category. Following a successful development year, we're now in a strong position to apply for a further £450k to support health and care integrated across Hyndburn.

The Future

We're keen to continue to move forward. For 2022/2023, we'll be focusing on growing participation to match - or exceed - pre-pandemic levels. We'll keep providing welcoming experiences. We'll keep supporting people to learn new skills and build positive health behaviours. We'll keep helping them find enjoyable activities. Above all, we'll keep looking after our community.

We also have major plans for the coming year. After a staggering commitment from Hyndburn Borough Council to allocate £10million to a Leisure Transformation scheme, we've also received an invitation to submit an expression of interest for £2million to Sport England's Strategic Facilities Fund.

GOING CONCERN

The trustees have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net liability position within unrestricted funds as at 31 March 2022. The net liability position is as a result of the inclusion of the pension scheme deficit mentioned above.

The trustees have reviewed budgets and cash flow forecasts. Efficiency savings are being delivered and new external grant income streams have been attracted by the management team. The trustees have considered the forecasts, grant funding secured, proposed savings and COVID-19 recovery income stream budgets and consider them to be reasonable.

The trustees recognise the support provided by Hyndburn BC, and aware of the "letter of support" received from the council.

After making enquiries and considering the issues described above, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL REVIEW

The financial statements have been prepared on a going concern basis, which presumes that the trust will receive no financial support from the Council by means of a management fee. Additional grants were provided in-year to enable the trust to manage the impact of the pandemic. For the year 2022/23 it has been agreed that no management fee will be paid.

Total income for the year 2021/22 was £3,664,924 (2020/21: £2,719,579), an increase of 35%. This was the effect of COVID-19 lockdowns and the impact it had on the operation of leisure and arts facilities in the prior year.

Total expenditure for the year 2021/22 was £4,112,159 (2020/21: £2,900,046), an increase of 42%. This was a result of the facilities being operational again after the COVID-19 lockdowns.

The trust had an overall funds deficit as at 31 March 2022 of £4,249,639 (2021: £5,003,404), which was largely attributable to the pension scheme deficit of £3,306,000 (2021: £4,140,000).

To supplement the provision of high quality leisure facilities the charity is committed to developing a high quality service. The trust is working with partner organisations to introduce cost effective, fit for purpose, peer quality assurance processes.

FINANCIAL REVIEW (CONTINUED)

Reserves policy
It is the aim of the Trustees to build up unrestricted reserves to cover a reasonable level of future management, administration and support costs. The Trustees have not included an annual contribution for 2019/20 but remain committed to developing a reserve policy to support the medium term financial strategy.

At present the Trust has insufficient reserves to ensure that it can deal with major unexpected adverse developments without direct support from Hyndburn Borough Council. Both Trustees and Executives maintain a regular dialogue with the council to ensure that, should major unexpected adverse developments arise, any difficulties that require attention are addressed in a mutually agreeable manner.

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 conditions.

Trustees have agreed the reserves as follows;

- Hold a minimum cash balance in the bank account of at least £50,000.
- Long term aim to increase the minimum cash balance in the bank account to £200,000.

The Trustees have considered the current adverse economic climate when reviewing their reserves policy.

Investment Powers and Policy
Under the Memorandum and Articles of Association, the Trust has the power to invest in any way the Trustees wish. The Trust having regard to the liquidity requirements of operating leisure facilities, and to the reserves policy, operate a policy of keeping surplus funds available in interest bearing bank accounts.

Principal risks and uncertainties
The Trust is extremely reliant on income from fees & charges, therefore the charity is open to a number of risks which can negatively impact upon the sustainability of the organisation including:

- Uncontrollable budget pressures placed upon the Trust will reduce the Trust's capability to plan and manage the business effectively
- The Trust is subject to elasticity in its demand income and a level of uncontrollable costs
- Delay in progressing the Leisure Transformation will defer income opportunities
- Changes in assumptions in relation to the defined pension scheme liabilities
- Volatility within the investments held within the defined benefit pension scheme
- Uncontrollable increases in the wholesale price of gas and electric

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Hyndburn Leisure 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

In so far as the trustees are aware, there is no relevant information of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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.

Approval

This report was approved by the trustees on 17th November 2022 and signed on its behalf by

.....
Ciaran Wells
Trustee/Chair of the Board

Opinion

We have audited the financial statements of Hyndburn Leisure (the 'charity') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

<u>Identifying and assessing potential risks related to irregularities</u>

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

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

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

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

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

Audit response to risks identified

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

Date: 17th November 2022

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total Funds £
INCOME					
Income from donations					
Donations	2	**466,325**	-	**466,325**	270,325
Income from charitable activities	3				
Operation of sports facilities		**1,616,797**	**1,157,144**	**2,773,941**	1,980,798
Operation of town hall and similar buildings		**235,685**	**2,142**	**237,827**	127,406
Income from other activities	4				
Commercial operations		**186,776**	-	**186,776**	340,971
Investments		**55**	-	**55**	79
Total income		**2,505,638**	**1,159,286**	**3,664,924**	2,719,579
EXPENDITURE					
Charitable activities	5				
Operation of sports facilities		**2,237,333**	**1,127,866**	**3,365,199**	2,095,070
Operation of town hall and similar buildings		**379,960**	-	**379,960**	624,516
Pension operating charge		**282,000**	-	**282,000**	116,460
Net interest on pension scheme liability	18	**85,000**	-	**85,000**	64,000
Total expenditure		**2,984,293**	**1,127,866**	**4,112,159**	2,900,046
NET INCOME/(EXPENDITURE)		**(478,655)**	**31,420**	**(447,235)**	(180,467)
Transfers between funds		**87,677**	**(87,677)**	-	-
		(390,978)	**(56,257)**	**(447,235)**	(180,467)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	18	**1,201,000**	-	**1,201,000**	(1,171,000)
NET MOVEMENT IN FUNDS		**810,022**	**(56,257)**	**753,765**	(1,351,467)

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total Funds £
NET MOVEMENT IN FUNDS		**810,022**	**(56,257)**	**753,765**	(1,351,467)
RECONCILIATION OF FUNDS					
Total funds brought forward		**(5,113,223)**	**109,819**	**(5,003,404)**	(3,651,937)
TOTAL FUNDS CARRIED FORWARD		**(4,303,201)**	**53,562**	**(4,249,639)**	(5,003,404)

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

All income and expenditure derives from continuing activities.

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Tangible assets	9	**491,902**	324,946
CURRENT ASSETS			
Stock	10	**10,189**	6,180
Debtors	11	**434,350**	342,908
Cash at bank and in hand		**347,543**	333,887
		792,082	682,975
CURRENT LIABILITIES			
Amounts falling due within one year	12	**(932,057)**	(470,363)
NET CURRENT LIABILITIES		**(139,975)**	212,612
TOTAL ASSETS LESS CURRENT LIABILITIES		**351,927**	537,558
LONG TERM LIABILITIES			
Amounts falling due after more than one year	13	**(1,295,566)**	(1,400,962)
NET ASSETS EXCLUDING PENSION DEFICIT		**(943,639)**	(863,404)
PENSION SCHEME DEFICIT	18	**(3,306,000)**	(4,140,000)
NET LIABILITIES INCLUDING PENSION DEFICIT		**(4,249,639)**	(5,003,404)
FUNDS			
Unrestricted funds	16	**(997,201)**	(973,223)
Restricted funds	17	**53,562**	109,819
Pension scheme deficit	18	**(3,306,000)**	(4,140,000)
TOTAL FUNDS		**(4,249,639)**	(5,003,404)

BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2022

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1st January 2015).

The financial statements were approved by the Board of Trustees on 17th November 2022 and were signed on its behalf by:

Ciaran Wells

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Ciaran Wells
Trustee/Chair of the Board

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	**31.3.22** **£**	31.3.21 £
Cash flows from charitable activities			
Cash generated from activities	1	**359,974**	(855,438)
Net cash from charitable activities		**359,974**	(855,438)
Cash flows from investing activities			
Interest income		**55**	79
Interest paid		**(33,009)**	(14,871)
Sale proceeds		**1,350**	-
Purchase of tangible fixed assets		**(251,445)**	(8,277)
Net cash from investing activities		**(283,049)**	(23,069)
Cash flows from financing activities			
New borrowings in the year		**-**	1,123,008
Capital repayments in the year		**(63,269)**	(56,367)
Net cash from financing activities		**(63,269)**	1,066,641
Increase/(decrease) in cash and cash equivalents		**13,656**	188,134
Cash and cash equivalents at the beginning of the year	2	**333,887**	145,753
Cash and cash equivalents at the end of the year	2	**347,543**	333,887

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.22	31.3.21
	£	£
Deficit for the year	**(447,235)**	(180,467)
Interest receivable	**(55)**	(79)
Interest payable	**33,009**	14,871
Depreciation charges	**84,488**	87,224
Profit and loss on the disposal of assets	**(1,350)**	-
	(331,143)	(78,451)
Decrease/(increase) in stocks	**(4,009)**	4,817
Decrease/(increase) in trade and other debtors	**(91,442)**	(169,917)
(Decrease)/increase in trade and other creditors	**419,568**	(792,347)
Pension scheme operating and interest costs	**367,000**	180,460
Cash generated from charitable activities	**359,974**	(855,438)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2022

	31.3.22	**1.4.21**
	£	**£**
Cash and cash equivalents	**347,543**	**333,887**

Year ended 31st March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	333,887	145,753

1. ACCOUNTING POLICIES

Company information
Hyndburn Leisure is a charitable company, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the Company Information page. Each member's personal liability is limited to an amount not exceeding £1.

Basis of preparing the financial statements
The financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due. The related party, Hyndburn Borough Council, have not given formal support to the charity, however they have continued the provision of grant support and continued support of the charity in its cash flow requirements. Accordingly, the trustees have concluded that it is appropriate for these financial statements to be prepared on the going concern basis.

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

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

Freehold property	- 2% Straight line
Improvements to property	- 10% Straight line
Facilities	- Fully depreciated
Fixtures and equipment	- 10-25% Straight line
Plant and machinery	- 15% Straight line

Fixed assets are stated at cost less accumulated depreciation. Assets are also subject to an annual review to identify any indicators of impairment.

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

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

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

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

Pension costs and other post-retirement benefits
The charity participates in the Lancashire County Pension Fund defined benefit scheme. Although the scheme is a multi-employer scheme it is possible to allocate a share of the assets and liabilities to the charity and hence contributions are accounted for as a defined benefit scheme in accordance with FRS 102.

The charity also participates in the NHS Pension Fund defined benefit scheme. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities. The pension contributions made during the financial period are therefore treated as if the scheme is a defined contribution scheme and recognised in the Statement of Financial Activities.

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

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

Debtors and Creditors
Short term debtors and creditors are measured at transaction price, less any impairment.

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

2. DONATIONS

	31.3.21	31.3.20
	£	£
Gifts in kind – use of buildings	**270,325**	270,325
Donated assets	**196,000**	-
	466,325	270,325

In 2021, of the total donation income, £270,325 was unrestricted funds.

During the year the client was donated Clayton Civic Hall from Hyndburn Borough Council. The property was valued at £196,000 at the date of transfer.

3. CHARITABLE ACTIVITIES

	31.3.22	31.3.21
	£	£
Unrestricted income:		
Grants from Hyndburn Borough Council	**-**	75,000
Covid-19 grant from Hyndburn Borough Council	**108,395**	705,320
Local council Covid-19 business grants	**78,551**	203,080
Other income from Hyndburn Borough Council	**86,542**	38,550
Notional income from Hyndburn Borough Council	**-**	16,335
Job retention scheme grants	**8,562**	498,390
Income from the operation of leisure and arts facilities	**1,570,432**	235,262
	1,852,482	1,771,937
Restricted income:		
Business Health Matters	**99,702**	-
Cardiac Fund	**16,500**	1,628
Consultancy - Lottery Fund	**-**	4,540
Community Champions Fund	**147,891**	-
Door Step Activity Fund - Street Games Fund	**-**	130
Events at Accrington Town Hall	**109**	-
Feasibility study	**-**	10,000
Fixed assets	**1,055**	8,935
Green Gym – Sport England	**2,240**	15,613
Healthier Communities	**31,790**	-
Holiday Activity Fund	**349,381**	-
Household Support Fund	**131,595**	-
Lancashire Environmental Fund	**30,000**	16,420
National Recovery Lottery Fund – Sport England	**119,690**	51,296
PASTA	**7,235**	-
Phase 4 at Accrington Town Hall	**2,033**	1,324
Room to Play - Garfield Grant	**-**	10,000
Together an Active Future – Sport England	**143,614**	154,787
Up and Active – Lancashire County Council	**-**	35,227
Weight Management – Lancashire County Council	**76,451**	26,367
	1,159,286	336,267
	3,011,768	2,108,204

4. OTHER ACTIVITIES – COMMERCIAL OPERATIONS

	31.3.22	31.3.21
	£	£
Income from delivery of the Covid Community Hub	186,776	340,971
	186,776	340,971

In 2021, of the total other activities income, £340,971 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES - 2022

	Sports facilities	Town hall & buildings	Total 2022
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	774,592	143,995	918,587
Other staff costs	7,272	2,530	9,802
Premises costs	449,964	78,432	528,396
Promotions and marketing	4,667	1,549	6,216
Depreciation	80,317	895	81,212
Profit and loss on disposal	(1,350)	-	(1,350)
Gifts in kind – use of buildings	270,325	-	270,325
Bad and doubtful debts	7,053	-	7,053
Other costs	139,256	53,769	193,025
	1,732,096	281,170	2,013,266
Support and governance costs allocated:			
Support costs (note 6)	472,432	93,219	565,651
Governance costs (note 6)	32,805	5,571	38,376
	505,237	98,790	604,027
	2,237,333	379,960	2,617,293
Restricted expenses:			
Salaries, NI and pensions	656,551	-	656,551
Other staff costs	21	-	21
Premises costs	5,540	-	5,540
Promotions and marketing	220	-	220
Depreciation	3,153	-	3,153
Other costs	462,381	-	462,381
	1,127,866	-	1,127,866
	3,365,199	379,960	3,745,159

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED) - 2021

	Sports facilities	Town hall & buildings	Total 2021
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	891,011	127,790	1,018,801
Other staff costs	4,078	310	4,388
Premises costs	345,159	66,372	411,531
Promotions and marketing	10,466	2,090	12,556
Depreciation	79,644	895	80,539
Notional cost of gym equipment	16,335	-	16,335
Gifts in kind – use of buildings	-	270,325	270,325
Other costs	32,657	14,403	47,060
	1,379,350	482,185	1,861,535
Support and governance costs allocated:			
Support costs (note 6)	374,141	132,894	507,035
Governance costs (note 6)	21,824	7,657	29,481
	395,965	140,551	536,516
	1,775,315	622,736	2,398,051
Restricted expenses:			
Salaries, NI and pensions	219,732	-	219,732
Other staff costs	225	-	225
Premises costs	12,772	-	12,772
Promotions and marketing	6,492	-	6,492
Depreciation	6,440	-	6,440
Other costs	74,094	1,780	75,874
	319,755	1,780	321,535
	2,095,070	624,516	2,719,586

6. GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the cost of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two charitable activities (see note 5) in the year.

The costs are apportioned on the following basis:

Salaries, NI and pensions – Allocated on a time basis
All other costs – Pro rata to direct (non-salary related) costs

7. NET MOVEMENT IN FUNDS

Net resources are stated after charging:

	31.3.22	31.3.21
	£	£
Auditors' remuneration: Audit fee	**8,200**	8,200
Auditors' remuneration: Non-audit services	**9,900**	-
Operating lease rentals – other	**2,629**	2,629
Operating lease rentals – property	**270,325**	270,325
Indemnity insurance for trustees and senior staff	**1,400**	1,297
Depreciation	**84,488**	87,224
Profit and loss on disposal	**(1,350)**	-

8. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	**1,571,801**	1,252,143
Social security costs	**93,776**	65,093
Other pension costs	**230,568**	182,067
	1,896,145	1,499,303

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

	31.3.22	31.3.21
Employees	**133**	133

Due to reliance on seasonal workers, class instructors and casual bank staff, the number of employees can vary materially during the course of any one year.

No employees were paid over £60,000 for the year ended 31st March 2022 nor for the year ended 31st March 2021.

Key management personnel of the charity comprise the trustees, the Chief Executive, the Head of Operations & Strategic Projects and the Head of Health & Community Development. The total employee benefits of the key management personnel of the charity were £121,024 (2021: £119,031), in addition employer pension contributions of £21,088 (2021: £18,695) were paid in respect of their services.

Trustees' Remuneration
No trustees received remuneration for their roles as trustees for the year ended 31st March 2022 nor for the year ended 31st March 2021.

Trustees' Expenses
There were no trustees' expenses paid for the year ended 31st March 2022 nor for the year ended 31st March 2021.

9. TANGIBLE FIXED ASSETS

	Freehold Property	Improvements to property	Facilities	Fixtures & Equipment	Totals
	£	£	£	£	
COST					
At 1st April 2021	-	435,602	371,163	1,288,054	2,094,819
Additions	235,231	-	-	16,214	251,445
At 31st March 2022	235,231	435,602	371,163	1,304,268	2,346,264
DEPRECIATION					
At 1st April 2021	-	324,278	371,163	1,074,433	1,769,874
Charge for year	784	12,666	-	71,038	84,488
At 31st March 2022	784	336,944	371,163	1,145,471	1,845,362
NET BOOK VALUE					
At 31st March 2022	234,447	98,658	-	158,797	491,902
At 31st March 2021	-	111,325	-	213,621	324,946

10. STOCK

	31.3.22	31.3.21
	£	£
Bar stocks	6,771	2,439
Pool chemicals	1,085	2,325
Vending and food	2,333	1,416
	10,189	6,180

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	79,363	12,909
Prepayments and accrued income	354,987	329,699
Other debtors	-	300
	434,450	342,908

Debtors include £nil in respect of grants receivable at the year end. All amounts shown under debtors fall due for payment within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	-	1,200
Taxation and social security	**44,743**	39,522
Amounts owed to Hyndburn Borough Council	**316,041**	64,552
Hire purchase contracts	**42,127**	39,092
Accruals and deferred income	**529,146**	325,997
	932,057	470,363

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.22	31.3.21
	£	£
Amounts owed to Hyndburn Borough Council	**1,291,918**	1,355,187
Hire purchase contracts	**3,648**	45,775
	1,295,566	1,400,962

Included in the above amount owed to Hyndburn Borough Council is an amount totalling £1,019,568 which is repayable in more than 5 years and by instalments.

14. OPERATING LEASE COMMITMENTS

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

	31.3.22	31.3.21
	£	£
Expiry date:		
Within 1 year	**438**	2,629
Between one and five years	**-**	438
	438	3,067

15. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.22 Total funds	31.3.21 Total Funds
	£	£	£	£
Fixed assets	**472,153**	**19,749**	**491,902**	324,946
Current assets	**758,269**	**33,813**	**792,082**	682,975
Current liabilities	**(932,057)**	-	**(932,057)**	(470,363)
Long term liabilities	**(1,295,566)**	-	**(1,295,566)**	(1,400,962)
Pension scheme deficit	**(3,306,000)**	-	**(3,306,000)**	(4,140,000)
	(4,303,201)	**53,562**	**(4,249,639)**	(5,003,404)

16. UNRESTRICTED FUNDS

	Pension deficit	General funds	Designated funds	Total funds
	£	£	£	£
Balance at 1st April 2021	(4,140,000)	(975,304)	2,081	(5,113,223)
Net income / (expenditure)	834,000	(111,655)	-	722,345
Transfers between funds	-	87,677	-	87,677
	(3,306,000)	(999,282)	2,081	(4,303,201)

General fund

The general fund consists of the total of free reserves available to spend on the objectives of the charity. As these are negative, the trustees have considered this when reviewing the going concern status of the charity and are satisfied that the charity remains a going concern particularly in light of the on-going support provided by Hyndburn Borough Council.

17. RESTRICTED FUNDS

	At 1st April 2021	Incoming resources	Outgoing resources	Fund transfers	At 31st March 2022
	£	£	£	£	£
Project fund					
Business Health Matters	-	99,702	(99,702)	-	-
Cardiac Grant	1,628	16,500	(18,128)	-	-
Community Champions Fund	-	147,891	(87,891)	(60,000)	-
Events at Accrington Town Hall	3,704	109	-	-	3,813
Fixed assets	22,902	1,055	(4,208)	-	19,749
Green Gym	-	2,240	(2,240)	-	-
Healthier Communities	-	31,790	(28,720)	(3,070)	-
Holiday Activity Fund	-	349,381	(324,774)	(24,607)	-
Household Support Fund	-	131,595	(131,595)	-	-
Lancashire Environmental Fund	-	30,000	-	-	30,000
Lottery Fund - Consultancy	4,540	-	(4,540)	-	-
National Recovery Lottery Fund	-	119,690	119,690		
PASTA	-	7,235	(7,235)	-	-
Phase 4 at Accrington Town Hall	519	2,033	(2,552)	-	-
Together an Active Fund	14,147	143,614	(157,761)	-	-
Up and Active	62,379	-	(62,379)	-	-
Weight Management	-	76,451	(76,451)	-	-
	109,819	1,159,286	(1,127,866)	(87,677)	53,562

17. RESTRICTED FUNDS (CONTINUED)

Business Health Matters
The Business Health Matters programme has been developed to support local businesses in improving the physical and mental health of their employees so that staff are happier, healthier and more resilient.

Cardiac Grant
The cardiac grant supports 17 hours to provide a 12 week cardiac rehab referral programme, that provides low level classes and education sessions, supported by the Health Activator team.

Community Champions Fund
The Ministry of Housing, Communities and Local Government (MHCLG) set up the Community Champions scheme during the Covid-19 pandemic to support communities at greater risk of Covid-19, including disabled people, BAME communities and the elderly, faith groups and hard to reach communities.

Community champions are groups of people with local knowledge of an area, including the culture, concerns and sentiments of people living in the community. They work to empower and support people in the local community to stay up-to-date on Covid-19 advice, and to foster trust and a sense of strong community in the locality.

Events at Accrington Town Hall
Funding from the council to contribute to events run from Accrington Town Hall.

Fixed Asset Fund
Restricted element of grants received for the purchase of fixed assets.

Green Gym
The project aims to provide an outdoor gym in Gatty Park, Accrington and employ a Community Engagement Officer on a two-year contract to promote its use by local residents (including referrals) and to train community volunteers to sustain its use once the two years have elapsed.

Healthier Communities
This programme was set up and funded to empower voluntary and community sector organisations to work together with the local health and care sector to boost the health and wellbeing of their communities.

Holiday Active Fund
The purpose of this funding was to make free places at holiday clubs available in the Summer, Spring, and Winter holiday periods to children in their local authority area in receipt of benefits-related free school meals.

Household Support Fund
The Household Support Fund, provided by the Department for Work and Pensions, was introduced in October 2021 to support vulnerable households with essentials like food, energy and water bills and household items.

17. RESTRICTED FUNDS (CONTINUED)

Lancashire Environmental Fund
The Lancashire Environmental Fund (LEF) is a partnership between SUEZ Recycling and Recovery UK Ltd, Lancashire County Council, The Wildlife Trust for Lancashire, Manchester and North Merseyside and Community Futures.

The Fund has distributed support to community and environmental projects which benefit the environment and people of Lancashire.

Lottery Fund – Consultancy
Sport England support to resource consultancy time from Max Associates to provide an external, expert evaluation on the impact that Covid-19 has had and is likely to continue to have on the trust.

National Recovery Lottery Fund
DCMS and the Ministry of Housing, Communities and Local Government ("MHCLG") have allocated funding to support leisure centres that are owned by local authorities and have been adversely affected by the COVID-19 pandemic, in particular through temporary closures, social distancing requirements and consumer confidence. Representatives from DCMS, MHCLG and Sport England form a committee to determine jointly whether individual applications for funding are suitable and the amount of funding to be allocated. Sport England is the body designated to distribute the allocated funding to approved applicants and monitor the application of the funds.

PASTA
PASTA (Play and Skills at Tea-time Activities) after school clubs provided a targeted programme for local families with the aim of promoting healthier eating and physical activity in a fun, interactive and safe environment.

Phase 4 at Accrington Town Hall
A grant received from Hyndburn Borough Council to improve the furniture and bar in the building.

Together an Active Fund
Funding has been received from Sport England to identify innovative solutions to make it easier for people in specific areas to access sport and physical activity.

Up and Active
Up and active is the East Lancashire consortium led by a partnership of four Trusts, formed in 2015 to deliver the Lancashire County Council public health agenda, promoting healthy lives, weight loss and general wellbeing.

Weight Management
We are seeking to provide an accessible tier 2 adult weight management service, which supports obese adults to lose weight and improves knowledge and skills in maintaining healthy weight, as part of wider programmes which promote healthy weight and physical activity in localities. This will form an integral part of the NHS Health Checks care pathway and wider obesity pathways.

18. PENSION ARRANGEMENTS

Net Pension Deficits:

	31.3.22	31.3.21
	£	£
Lancashire County Pension Scheme	**3,306,000**	4,140,000
	3,306,000	4,140,000

NHS Pension Scheme
Certain employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The assets of the scheme are held separately from those of the charity.

Lancashire County Pension Fund
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 £230,568 (2021: £180,263) were paid to the scheme.

The following calculations as at 31st March 2022 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method. Principal actuarial assumptions used by the actuary were as follows:

	31.3.22	31.3.21
Rate of CPI inflation	**3.30**	2.70
Rate of increase in salaries	**4.80**	4.20
Rate of increase in pensions	**3.40**	2.80
Discount rate	**2.80**	2.10
Life expectancy of a male future pensioner aged 65 in 20 years' time	**23.70**	23.90
Life expectancy of a female future pensioner aged 65 in 20 years' time	**26.80**	26.90
Life expectancy of a male current pensioner aged 65	**22.30**	22.40
Life expectancy of a female current pensioner aged 65	**25.00**	25.10

18. PENSION ARRANGEMENTS (CONTINUED)

The amounts recognised in the balance sheet are as follows:

	31.3.22	31.3.21
	£	£
Present value of funded obligations	**(11,807,000)**	(11,475,000)
Fair value of plan assets	**8,501,000**	7,335,000
Net pension deficit	**(3,306,000)**	(4,140,000)

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.22	31.3.21
	£	£
Operating charge		
Current service cost	**498,000**	298,000
Administration expenses	**7,000**	6,000
Total operating charge	**505,000**	304,000
Other finance costs		
Expected return on pension scheme assets	**(155,000)**	(158,000)
Interest on pension scheme liabilities	**240,000**	222,000
Net charge	**85,000**	64,000
Total charge to resources expended in Statement of Financial Activities	**590,000**	368,000

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

	31.3.22	31.3.21
	£	£
Actuarial gains on assets	**902,000**	559,000
Actuarial gains/(losses) on liabilities	**299,000**	(1,730,000)
Actuarial gain / (loss) recognised	**1,201,000**	(1,171,000)

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

	31.3.22	31.3.21
	£	£
Opening defined benefit obligation	**11,475,000**	9,298,000
Current service cost	**498,000**	298,000
Interest on pension scheme liabilities	**240,000**	222,000
Employee contributions	**73,000**	58,000
Actuarial (gains)/losses	**(299,000)**	1,730,000
Benefits paid / transfers	**(180,000)**	(131,000)
Closing defined benefit obligations	**11,807,000**	11,475,000

18. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.22	31.3.21
	£	£
Opening fair value of plan assets	**7,335,000**	6,517,000
Expected return on plan assets	**155,000**	158,000
Actuarial gains	**902,000**	559,000
Employer contributions	**223,000**	180,000
Employee contributions	**73,000**	58,000
Administration expenses	**(7,000)**	(6,000)
Benefits paid / transfers	**(180,000)**	(131,000)
Closing fair value of plan assets	**8,501,000**	7,335,000

The split of assets between investment categories is as follows:

	2022	**2022**	2021	2021
	£	**%**	£	%
Equities	**8,000**	**0.10**	3,440,000	46.90
Government bonds	**68,000**	**0.80**	-	-
Other bonds	**-**	**-**	-	-
Property	**136,000**	**1.60**	1,042,000	14.20
Cash/liquidity	**213,000**	**2.50**	161,000	2.20
Other	**8,076,000**	**95.00**	2,692,000	36.70
	7,335,000	**100.00**	7,335,000	100.00

Amounts for the current and previous periods are as follows:

	2022	2021	2020	2019
	£	£	£	£
Defined benefit obligation	**(11,807,000)**	(11,475,000)	(9,298,000)	(8,638,000)
Plan assets	**8,501,000**	7,335,000	6,517,000	6,173,000
	(3,306,000)	(4,140,000)	(2,781,000)	(2,465,000)

A full actuarial review of the scheme was undertaken as at 31st March 2019.

Following the full actuarial valuation at 31st March 2019, employer contributions were agreed to stay at a rate of 16.90% with effect from 1st April 2022.

The current estimate of employer contributions for the year ended 31st March 2023 is £224,000. Implied service cost is estimated at £468,000 and a net interest and administration cost at £96,000 resulting in the deficit increasing by an estimated £340,000 to £3,646,000.

19. RELATED PARTY TRANSACTIONS

The charity receives a level of grant funding from Hyndburn Borough Council. The Council also has the power to appoint up to two trustees of the charity. The grant funding received during the year and the amounts owed to Hyndburn Borough Council at 31 March 2022 are summarised as follows:

	31.3.22	31.3.21
	£	£
Grant funding receivable – unrestricted	**-**	75,000
COVID-19 Grant funding receivable – unrestricted	**108,395**	705,320
Other income receivable - unrestricted	**86,542**	38,550
Net amounts owed to Hyndburn Borough Council	**1,607,959**	1,419,739

Certain properties, occupied and operated by the charity, are provided by Hyndburn Borough Council on a peppercorn rent in accordance with the earliest lease expiring on 31 March 2027. The estimated benefit of the low rentals for these properties is £270,325 (2021: £270,325).

Income and expenditure also includes notional amounts totalling £Nil (2021: £16,335), in respect of gym equipment bought by Hyndburn Borough Council in prior years that the trust utilises but is not charged.

20. 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 current liabilities and net total liabilities (including the pension scheme deficit) as at 31st March 2022 because the trustees are satisfied that subject to the reservations identified in the Going Concern paragraph in the Trustees Report, 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 2027 of the leases;
e) The competencies of the executive staff employed by the charity;
f) The actual performance to date for the financial year ending 31st March 2022.
g) The details included in the Report of the Trustees which sets out the impact Coronavirus has had on the charity.

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

HYNDBURN LEISURE

England & Wales - Charity number 1090528

Accounts

REGISTERED COMPANY NUMBER: 04270411 (England and Wales)
REGISTERED CHARITY NUMBER: 1090528

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

FOR

HYNDBURN LEISURE

(A COMPANY LIMITED BY GUARANTEE)

Hyndburn Leisure

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31ST MARCH 2021

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HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

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 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04270411 (England and Wales)

Registered Charity number
1090528

Registered office
Accrington Town Hall
Blackburn Road
Accrington
Lancashire
BB5 1LA

Trustees
Ciaran Wells – Chair
Irene Ryan
Anne Ellwood
Marie Demaine
Patrick Swanney
Peter Baron
Cllr Munsif Dad BEM

Key Management Personnel	**Position**
Lyndsey Sims	Chief Executive
Joanne Mortimer	Head of Leisure
Linda Horsfield	Head of Health & Wellbeing

Company Secretary
Lyndsey Sims

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

Bankers
Natwest
PO Box No2
St James Street
Accrington
Lancashire
BB5 1NB

FOREWORD BY CHAIR

Welcome to Hyndburn Leisure Trust's Annual Report for the financial year 2020/21. This report provides an overview of our main areas of activity, highlights achievements and outlines future plans.

Hyndburn Leisure is on a journey to become financially sustainable. Since 2008/09, the management fee paid to the trust by Hyndburn Borough Council has reduced by £1,186,961, representing a 93% reduction to 2020/21. The year on year reductions to the management fee have provided cumulative savings of over £8.7M to the Council.

The importance of physical and mental health and the contribution physical activity makes to individual and community health and well-being has been brought into sharp focus by COVID-19. The relationship between poor health, inequalities and deaths from coronavirus has been identified, as has the disproportionate impact of the pandemic on individuals and families from more deprived backgrounds.

During lockdown, the Leisure trust faced large ongoing expenditure costs including significant utility bills and our trading income revenues reduced to zero. The strict social distancing regime that we introduced during periods of re-opening also resulted in a deficit operating model being delivered at Hyndburn Leisure Centre and made reopening Mercer Hall Leisure Centre and other sites far more challenging.

A priority throughout closures was to ensure that the facilities in the trust's portfolio were secure and maintained to avoid problems and unnecessary delays on re-opening. Work also took place to encourage and support customers and the wider community to stay active via content on social media, through on-demand digital classes and email updates.

Despite the significant financial challenges faced by the trust during 2020/21, we recorded a balanced budget. This was achieved through strong financial management, applications for state aid, refocusing the trust's service priorities and additional in-year support from Hyndburn Borough Council.

The future vision for the organisation is starting to be realised, however the impact of the COVID-19 pandemic over the past financial year has resulted in the trust and others in the leisure sector being taken off course. Despite the challenges that the pandemic has and will continue to bring, the trust are focused on recovering from the effects of COVID-19 and remain determined to impact positively on the health and wellbeing of our community. All our staff and partners are committed to creating a positive environment to enable the trust to continue to provide high quality, valued services for our communities.

Ciaran Wells

Chair – Ciaran Wells

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hyndburn Leisure is both a registered charity and a company limited by guarantee; governed by its Articles of Association. The trustees delegate the day to day management to the Chief Executive Officer, Lyndsey Sims.
The trust adheres to the Nolan rules for Standards in Public Life. Whilst undertaking a review of governance, the trustees have also reviewed the recommendations in "Good Governance, A Code for the Voluntary and Community Sector" and do not believe the trust has any standards at variance with that code which require disclosure. The trust's ethical policy is;
"All delegations must be exercised in accordance with the law and having regard to any lawful direction and/or guidance subsequently issued by Parliament and/or any other appropriate funding body.
Furthermore, all HR and people issues will be handled fairly, consistently and in accordance with relevant legislation, ACAS Codes of Practice and Chartered Institute of Personnel & Development (CIPD) advice and best practice."

Directors and trustees

The directors of the limited company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Chair of the trustees is nominated by the members of the Board of trustees. The Board of trustees comprises a minimum of five trustees and a maximum of fifteen.
The charity aims to maintain a broad range of skills on the Board of trustees to contribute to the success of the charity. The composition of the Board of trustees may include two trustees appointed by Hyndburn Borough Council and persons from time to time employed by the charity may collectively appoint one person as a trustee.

Trustees Induction and Training

New trustees undergo orientation sessions and receive literature and training to provide them with an understanding of their legal obligations under both charity and company law, the content of the Articles of Association, the committee and decision making process, the business plan and recent financial performance of the charity. The trust also seeks to identify appropriate training and update sessions for the trustee's.

Retirement of trustees

Appointed trustees shall stay in office until such time as they retire or are removed in accordance with the Articles.

Board meetings

The trustees meet every three months. There is also a sub-committee which covers resource management including finance and corporate performance that meets every three months prior to each board meeting. During 2021/21 the Board agreed to meet every two months, combining the main trustee meeting and sub-committee, to increase communication during the pandemic. Adhoc groups are organised as and when required for unique considerations.

Indemnity Insurance
During the year the charity maintained indemnity insurance for the trustees and senior staff to indemnify them against the consequences of unintentional neglect or default on their part.

Related parties
The trust has a close relationship with Hyndburn Borough Council (Council) for whom it manages the borough's sports leisure and culture facilities and three community centres. Council facilities include; Hyndburn Leisure Centre, Mercer Hall Leisure Centre, Accrington Town Hall, Wilson's Playing Fields, Clayton Civic Hall, Bank Mill House and Oswaldtwistle West End. The facilities estate includes; two swimming pools, two state-of-the-art gyms, a soft play centre, two thermal suites, three squash courts and an events and entertainment venue.

There is one Council nominated trustee on the Board. In addition, the Chief Executive of the trust has regular meetings with the Deputy Chief Executive of the Council, who is the trust's liaison, who also attends Board meetings.

The trust has an agreement with the Council to operate the Council's Leisure, community and culture facilities. The outcomes of which are determined by a number of agreed partnership objectives.

Risk management
The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Pay and Remuneration
Key management personnel of the charity comprise the trustees, the Chief Executive Officer, the Head of Operations and Head of Health & Wellbeing. The total employee benefits of the key management personnel of the charity were £119,301, in addition employer pension contributions of £18,965 were paid in respect of their services.

The charity's pay structure for employees consists of 46 grades each of which has a set annual salary. We currently use 21 of these grades for roles within the charity. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs. The grades and related salaries are set by the National Joint Council for Local Government Services.

OBJECTIVES AND ACHIEVEMENTS

Hyndburn Leisure (HL) is a company limited by guarantee with charitable status. It was formed in 2002 to manage the borough's sport and leisure facilities and in 2005 also took on the Council's Arts & Entertainment facilities and community buildings.

HL's objects as stated in its governing document are:

"the provision or assisting in the provision of facilities for recreation or other leisure time occupation for the general public in or in connection with the Borough of Hyndburn and its neighbourhood in the interests of social welfare by improving conditions of life"

In planning and delivering its action plan trustees have considered Charity Commission guidance relating to public benefit, including the setting of affordable fees and charges and ensuring that programmes and activities meet charitable objectives.

Key areas of activity

The trust seeks to provide accessible and affordable sports, leisure, arts and cultural activities to every member of the Hyndburn community, irrespective of age, background or ability.

We further our charitable objectives by operating in the following key areas:

- The Leisure Activity Passport scheme offers significantly reduced admission charges to a wide range of individuals who are on limited incomes, including those who are unemployed, receiving Council Tax or Housing Benefit, those receiving Income Support or Job seekers Allowance, students and those receiving Working Tax Credit.
- The Leisure Activity Passport also provides reduced admission for key priority groups including Hyndburn residents over 60 years of age and the registered disabled (including FREE access to carers).
- Our Swimming Programme offers reduced rate swimming for 4 to 16 year olds during school holiday periods.
- Senior citizens and children receive concessionary rates on the purchase of tickets for our sport and leisure activities and entertainment programme. In addition, free use is offered to children participating in themed activities and events.
- Use of our public halls and community facilities is made available to charitable and non-profit making groups at concessionary rates. We also offer free use for certain categories of users.
- Our Health & Wellbeing services support our communities to improve their health outcomes. The team work in the heart of our communities, workplaces and schools, using their expert knowledge and experience in supporting positive lifestyle changes.
- Free access to leisure provision for armed forces personnel.
- Free access to leisure facilities and financial support for talented athletes.

ACHIEVEMENTS AND PERFORMANCE

During the pandemic our ability to generate income from fees and charges reduced drastically. The trust has experienced unprecedented financial difficulties as a result of facility and service closures and phased re-opening to control COVID-19 infection levels.

To improve our financial position the trust:

- Re-deployed employees to lead and operate the Hyndburn Hub
- Re-deployed employees as COVID marshals supporting the Vaccination site
- Furloughed the majority of employees at 80% salary
- Applied for Leisure & Hospitality business grants
- Applied for external health-related funding
- Applied to the National Leisure Recovery Fund
- Negotiated service contracts and reduced utility usage to lower expenditure

Health & Wellbeing

Our Health & Wellbeing team continued to deliver specialist exercise and wellbeing support services throughout the pandemic. We successfully attracted external funding to extend these services, providing digital and socially distanced opportunities for people to engage in high quality physical activity and nutrition activities.

We also launched a pilot community investment scheme, physical activity campaign and volunteer scheme as part of the Together an Active Future, Sport England pilot.

Hyndburn Hub

Throughout the pandemic, the trust has led a successful Community Hub (Hyndburn Hub) on behalf of Hyndburn Borough Council. The Hub has provided essential support to thousands of people who were at greater risk of becoming seriously ill if they contracted COVID-19 and has also brought together over 50 Hyndburn-based groups and organisations.

Through this work, the trust has also successfully secured funding for the local area through a number of national grant programmes, namely:

- Emergency Assistance Grant (£127k) to provide food and essential supplies to people in need
- Community Champions Fund (£492k) to support residents who have been most affected by the pandemic to move into positive activities that support their physical and mental health and encouraging the local take-up of vaccinations
- Healthier Communities Fund (£50k) to lead a development project to address health inequalities across the borough

The trust is also leading on the coordination of the Holiday Activities Food (HAF) programme for the borough, bringing together key stakeholders and a broad range of delivery partners to provide positive activities, nutrition education and food access to young people who are eligible for Free School Meals (FSM).

Facility reopening & Leisure recovery

Hyndburn Leisure Centre reopened to members in July following a programme of essential refurbishment, facility adaptations and multiple sanitising measures to ensure that we were COVID-secure, providing a safe and welcoming space for our customers and employees. We also carried out thorough training with all employees.

During re-opening periods membership levels showed positive signs of recovery, and we expect to reach 2019/20 levels by the end of 2021/22. Learn to Swim and Super Gymnastics memberships levels are on track to exceed 2019/20 levels in the year ahead.

Leisure Transformation

Hyndburn Borough Council appointed Max Associates to carry out a Feasibility Study using the Strategic Outcomes Planning Model to develop a clear approach to providing effective and sustainable physical activity and sport opportunities for our local communities for the next 40 years.

The overall objective of the Feasibility Study is to develop a shared local strategic vision that is deliverable and distinctive whilst at the same time, creating the optimal mix of facility and service interventions with a strong sense of place and good connections with the wider area.

In February 2021, the Council's Cabinet approved proposals to continue to develop plans to refurbish and replace the existing Leisure Estate, with an indicative investment of £10 million. A Leisure Transformation portal was launched to share the proposals with residents and a large-scale public consultation was delivered, attracting over 1,400 responses from our community.

The trust also secured £22k external funding to develop Bank Mill House Community Centre and continued to work with Clayton Amateur Boxing Club to relocate the club to Clayton Civic Hall.

The Future

The Leisure Trust's work remains rooted in local communities, providing bespoke opportunities and programmes to meet the needs of the local population, with a commitment to providing inclusive, supportive and welcoming environments for people from across Hyndburn.

The trust is currently in the process of developing a new strategy, which is due to be launched in 2022, focused on providing residents with 'Better Places, Better Health, Better Lives'. Included in the trust's strategy will be an ambition to attract and grow investment into physical activity programmes, facilities, and networks.

The trust remains committed to playing a key role in the preventive health agenda working with and leading local partnerships to support the community to be active and healthy.

GOING CONCERN

The trustees have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net liability position within unrestricted funds as at 31 March 2021. The net liability position is as a result of the inclusion of the pension scheme deficit.

The trustees have reviewed budgets and cash flow forecasts. Efficiency savings are being delivered and new external grant income streams have been attracted by the management team. The trustees have considered the forecasts, grant funding secured, proposed savings and COVID-19 recovery income stream budgets and consider them to be reasonable.

The trustees recognise the support provided by Hyndburn BC, and are aware of the "letter of support" received from the Council.

After making enquiries and considering the issues described above, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL REVIEW

The financial statements have been prepared on a going concern basis, which presumes that the trust will receive no financial support from the Council by means of a management fee. The management fee from the Council for 2020/21 is £75,000. An additional one-off grant was also provided in-year to enable the trust to manage the impact of the pandemic. For the year 2021/22 it has been agreed that no management fee will be paid.

Total income for the year 2020/21 was £2,719,579 (2019/20: £2,951,770), a decrease of 7.9%. This was the effect of COVID-19 lockdowns and the impact it had on the operation of leisure and arts facilities. The majority of the reduction in operational income has been replaced by external grant funding.

Total expenditure for the year 2020/21 was £2,900,046 (2019/20: £3,442,285), a decrease of 15.8%. This was a result of the cost savings made by the charity in response to the COVID-19 pandemic.

The trust had an overall funds deficit as at 31 March 2021 of £5,003,404 (2019/20: £3,651,937), an increase of 37%, which was largely attributable to an increase in the pension scheme deficit to £4,140,000 (2019/20: £2,788,540).

To supplement the provision of high quality leisure facilities the charity is committed to developing a high quality service. The trust is working with partner organisations to introduce cost effective, fit for purpose, peer quality assurance processes.

FINANCIAL REVIEW (CONTINUED)

Reserves policy

It is the aim of the trustees to build up unrestricted reserves to cover a reasonable level of future management, administration and support costs. The trustees have not included an annual contribution for 2020/21 but remain committed to developing a reserve policy to support the medium-term financial strategy.

At present the trust has insufficient reserves to ensure that it can deal with major unexpected adverse developments without direct support from Hyndburn Borough Council. Both trustees and Executives maintain a regular dialogue with the council to ensure that, should major unexpected adverse developments arise, any difficulties that require attention are addressed in a mutually agreeable manner.

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 conditions.

Trustees have agreed the reserves as follows;

- Hold a minimum cash balance in the bank account of £50,000.
- Long term aim to increase the minimum cash balance in the bank account to £200,000.

The trustees have considered the current adverse economic climate when reviewing their reserves policy.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the trust has the power to invest in any way the trustees wish. The trust having regard to the liquidity requirements of operating leisure facilities, and to the reserves policy, operate a policy of keeping surplus funds available in interest bearing bank accounts.

Principal risks and uncertainties

The trust is extremely reliant on income from fees and charges, therefore the charity is open to a number of risks which can negatively impact upon the sustainability of the organisation including:

- Further closures and restrictions associated with the COVID-19 pandemic will hinder the trust's recovery plan
- Uncontrollable budget pressures placed upon the trust will reduce the trust's capability to plan and manage the business effectively
- The trust is subject to elasticity in its demand income and a level of uncontrollable costs
- Delay in progressing the Leisure Transformation will defer income opportunities
- The further increase in the pension scheme deficit, which is outside the control the trust

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Hyndburn Leisure 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

In so far as the trustees are aware, there is no relevant information of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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.

Approval

This report was approved by the trustees on 16th September 2021 and signed on its behalf by

Ciaran Wells

.....
Ciaran Wells
Trustee/Chair of the Board

Opinion

We have audited the financial statements of Hyndburn Leisure (the 'charity') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the Report of the Trustees, Accounting Policies and Note 20, which all highlight the impact which Covid-19 has had on the charity and its expectations for the future. The trustees have concluded that the charity is a going concern, however these events mean a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

<u>Identifying and assessing potential risks related to irregularities</u>
In identifying and assessing risks of material misstatement in respect of irregularities, we considered the following:

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

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

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

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

Audit response to risks identified

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

Date: 16th September 2021

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total Funds £
INCOME					
Income from donations					
Donations	2	**270,325**	**-**	**270,325**	270,325
Income from charitable activities	3				
Operation of sports facilities		**1,645,855**	**334,943**	**1,980,798**	2,323,383
Operation of town hall and similar buildings		**126,082**	**1,324**	**127,406**	348,798
Income from other activities	4				
Commercial operations		**340,971**	**-**	**340,971**	8,999
Investments		**78**	**1**	**79**	265
Total income		**2,383,311**	**336,268**	**2,719,579**	2,951,770
EXPENDITURE					
Charitable activities	5				
Operation of sports facilities		**1,775,315**	**319,755**	**2,095,070**	2,379,439
Operation of town hall and similar buildings		**622,736**	**1,780**	**624,516**	812,026
Pension operating charge		**116,460**	**-**	**116,460**	191,820
Net interest on pension scheme liability	18	**64,000**	**-**	**64,000**	59,000
Total expenditure		**2,578,511**	**321,535**	**2,900,046**	3,442,285
NET INCOME/(EXPENDITURE)		**(195,200)**	**14,733**	**(180,467)**	(490,515)
Transfers between funds		**26,211**	**(26,211)**	**-**	**-**
		(168,989)	**(11,478)**	**(180,467)**	(490,515)
Other recognised gains and losses					
Pension scheme actuarial gain/(loss)	18	**(1,171,000)**	**-**	**(1,171,000)**	(57,000)
NET MOVEMENT IN FUNDS		**(1,339,989)**	**(11,478)**	**(1,351,467)**	(547,515)

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total Funds £
NET MOVEMENT IN FUNDS		**(1,339,989)**	**(11,478)**	**(1,351,467)**	(547,515)
RECONCILIATION OF FUNDS					
Total funds brought forward		**(3,773,234)**	**121,297**	**(3,651,937)**	(3,104,422)
TOTAL FUNDS CARRIED FORWARD		**(5,113,223)**	**109,819**	**(5,003,404)**	(3,651,937)

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

All income and expenditure derives from continuing activities.

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AT 31ST MARCH 2021

	Notes	**31.3.21** £	31.3.20 £
FIXED ASSETS			
Tangible assets	9	**324,946**	403,893
CURRENT ASSETS			
Stock	10	**6,180**	10,997
Debtors	11	**342,908**	172,991
Cash at bank and in hand		**333,887**	145,753
		682,975	329,741
CURRENT LIABILITIES			
Amounts falling due within one year	12	**(470,363)**	(1,232,612)
NET CURRENT LIABILITIES		**212,612**	(902,871)
TOTAL ASSETS LESS CURRENT LIABILITIES		**537,558**	(498,978)
LONG TERM LIABILITIES			
Amounts falling due after more than one year	13	**(1,400,962)**	(364,419)
NET ASSETS EXCLUDING PENSION DEFICIT		**(863,404)**	(863,397)
PENSION SCHEME DEFICIT	18	**(4,140,000)**	(2,788,540)
NET LIABILITIES INCLUDING PENSION DEFICIT		**(5,003,404)**	(3,651,937)
FUNDS			
Unrestricted funds	16	**(973,223)**	(984,694)
Restricted funds	17	**109,819**	121,297
Pension scheme deficit	18	**(4,140,000)**	(2,788,540)
TOTAL FUNDS		**(5,003,404)**	(3,651,937)

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2021

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective 1st January 2015).

The financial statements were approved by the Board of Trustees on 16th September 2021 and were signed on its behalf by:

Ciaran Wells

.....
Ciaran Wells
Trustee/Chair of the Board

HYNDBURN LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	**31.3.21** **£**	31.3.20 £
Cash flows from charitable activities			
Cash generated from activities	1	**(855,438)**	(12,738)
Net cash from charitable activities		**(855,438)**	(12,738)
Cash flows from investing activities			
Interest income		**79**	265
Interest paid		**(14,871)**	(17,773)
Purchase of tangible fixed assets		**(8,277)**	(3,420)
Net cash from investing activities		**(23,069)**	(20,928)
Cash flows from financing activities			
New borrowings in the year		**1,123,008**	86,708
Capital repayments in the year		**(56,367)**	(31,477)
Net cash from financing activities		**1,066,641**	55,231
Increase/(decrease) in cash and cash equivalents		**188,134**	21,565
Cash and cash equivalents at the beginning of the year	2	**145,753**	124,188
Cash and cash equivalents at the end of the year	2	**333,887**	145,753

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

1. RECONCILIATION OF DEFICIT TO CASH GENERATED FROM ACTIVITIES

	31.3.21	31.3.20
	£	£
Deficit for the year	**(180,467)**	(490,515)
Interest receivable	**(79)**	(265)
Interest payable	**14,871**	17,773
Depreciation charges	**87,224**	93,692
	(78,451)	(379,315)
Decrease/(increase) in stocks	**4,817**	2,036
Decrease/(increase) in trade and other debtors	**(169,917)**	(76,912)
(Decrease)/increase in trade and other creditors	**(792,347)**	190,633
Increase in pension scheme liability	**180,460**	250,820
Cash generated from charitable activities	**(855,438)**	(12,738)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2021

	31.3.21	**1.4.20**
	£	**£**
Cash and cash equivalents	**333,887**	**145,753**

Year ended 31st March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	145,753	124,188

1. ACCOUNTING POLICIES

Company information
Hyndburn Leisure is a charitable company, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the Company Information page. Each member's personal liability is limited to an amount not exceeding £1.

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

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

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

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

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

Investment income is recognised on a receivable basis.

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

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

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

Improvements to property	- 10% Straight line
Facilities	- Fully depreciated
Fixtures and equipment	- 10-25% Straight line
Plant and machinery	- 15% Straight line

Fixed assets are stated at cost less accumulated depreciation. Assets are also subject to an annual review to identify any indicators of impairment.

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

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

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

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

Pension costs and other post-retirement benefits
The charity participates in the Lancashire County Pension Fund defined benefit scheme. Although the scheme is a multi-employer scheme it is possible to allocate a share of the assets and liabilities to the charity and hence contributions are accounted for as a defined benefit scheme in accordance with FRS 102.

The charity also participates in the NHS Pension Fund defined benefit scheme. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities. The pension contributions made during the financial period are therefore treated as if the scheme is a defined contribution scheme and recognised in the Statement of Financial Activities.

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

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

Debtors and Creditors
Short term debtors and creditors are measured at transaction price, less any impairment.

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

2. DONATIONS

	31.3.21	31.3.20
	£	£
Gifts in kind – use of buildings	**270,325**	270,325
	270,325	270,325

In 2020, of the total donation income, £270,325 was unrestricted funds.

3. CHARITABLE ACTIVITIES

	31.3.21	31.3.20
	£	£
Unrestricted income:		
Grants from Hyndburn Borough Council	**75,000**	56,250
Covid-19 grant from Hyndburn Borough Council	**705,320**	-
Local council Covid-19 business grants	**203,080**	-
Other income from Hyndburn Borough Council	**38,550**	79,928
Notional income from Hyndburn Borough Council	**16,335**	16,335
Job retention scheme grants	**498,390**	-
Income from the operation of leisure and arts facilities	**235,262**	2,175,589
	1,771,937	2,328,062
Restricted income:		
Bridging Communities – Community Leisure	**-**	4,250
Cardiac Fund – Active Lancashire	**1,628**	-
Consultancy - Lottery Fund	**4,540**	-
Door Step Activity Fund - Street Games Fund	**130**	160
Events at ATH	**-**	29,930
Feasibility study	**10,000**	
Fixed assets	**8,935**	
Green Gym – Sport England	**15,613**	-
Grow & Sow – Bank Mill Lancashire Environmental Fund	**16,420**	-
National Recovery Lottery Fund – Sport England	**51,296**	-
Phase 4 ATH	**1,324**	20,068
Room to Play - Garfield Grant	**10,000**	-
Suicide Prevention Fund – NHS	**-**	5,000
Talented Athletics Fund	**-**	3
Together an Active Future – Sport England	**154,787**	88,105
Up and Active – Lancashire County Council	**35,227**	196,603
Weight Management – Lancashire County Council	**26,367**	-
	336,267	344,119
	2,108,204	2,672,181

4. OTHER ACTIVITIES – COMMERCIAL OPERATIONS

	31.3.21	31.3.20
	£	£
Income from delivery of the Covid Community Hub	340,971	-
Income from letting of property	-	8,999
	340,971	8,999

In 2020, of the total other activities income, £8,999 was unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES - 2021

	Sports facilities	Town hall & buildings	Total 2021
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	891,011	127,790	1,018,801
Other staff costs	4,078	310	4,388
Premises costs	345,159	66,372	411,531
Promotions and marketing	10,466	2,090	12,556
Depreciation	79,644	895	80,539
Notional cost of gym equipment	16,335	-	16,335
Gifts in kind – use of buildings	-	270,325	270,325
Other costs	32,657	14,403	47,060
	1,379,350	482,185	1,861,535
Support and governance costs allocated:			
Support costs (note 6)	374,141	132,894	507,035
Governance costs (note 6)	21,824	7,657	29,481
	395,965	140,551	536,516
	1,775,315	622,736	2,398,051
Restricted expenses:			
Salaries, NI and pensions	219,732	-	219,732
Other staff costs	225	-	225
Premises costs	12,772	-	12,772
Promotions and marketing	6,492	-	6,492
Depreciation	6,440	-	6,440
Other costs	74,094	1,780	75,874
	319,755	1,780	321,535
	2,095,070	624,516	2,719,586

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED) - 2020

	Sports facilities	Town hall & buildings	Total 2020
	£	£	£
Unrestricted expenses:			
Costs directly allocated to activities:			
Salaries, NI and pensions	1,163,674	186,183	1,349,857
Other staff costs	17,702	5,490	23,192
Premises costs	383,247	47,715	430,962
Promotions and marketing	49,565	14,660	64,225
Depreciation	85,014	343	85,357
Notional cost of gym equipment	16,335	-	16,335
Gifts in kind – use of buildings	-	270,325	270,325
Other costs	111,504	110,740	222,244
	1,827,041	635,456	2,462,497
Support and governance costs allocated:			
Support costs (note 6)	318,071	115,281	433,352
Governance costs (note 6)	49,517	13,875	63,392
	367,588	129,156	496,744
	2,194,629	764,612	2,959,241
Restricted expenses:			
Salaries, NI and pensions	164,683	-	164,683
Other staff costs	5,830	-	5,830
Promotions and marketing	614	-	614
Depreciation	5,702	1,311	7,013
Other costs	7,981	46,103	54,084
	184,810	47,414	232,224
	2,379,439	812,026	3,191,465

6. GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the cost of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three key charitable activities (see note 5) in the year.

The costs are apportioned on the following basis:

Salaries, NI and pensions – Allocated on a time basis
All other costs – Pro rata to direct (non-salary related) costs

7. NET MOVEMENT IN FUNDS

Net resources are stated after charging:

	31.3.21	31.3.20
	£	£
Auditors remuneration	**8,200**	14,000
Operating lease rentals – other	**2,629**	2,629
Operating lease rentals – property	**270,325**	270,325
Indemnity insurance for trustees and senior staff	**1,297**	714
Depreciation	**87,224**	93,692

8. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries	**1,252,143**	1,494,565
Social security costs	**65,093**	83,617
Other pension costs	**182,067**	188,015
	1,499,303	1,766,197

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

	31.3.21	31.3.20
Employees	**133**	172

Due to reliance on seasonal workers, class instructors and casual bank staff, the number of employees can vary materially during the course of any one year.

No employees were paid over £60,000 for the year ended 31st March 2021 nor for the year ended 31st March 2020.

Key management personnel of the charity comprise the trustees, the Chief Executive Officer, the Head of Leisure and the Head of Wellbeing. The total employee benefits of the key management personnel of the charity were £119,031 (2020: £113,901), in addition employer pension contributions of £18,965 (2020: £14,555) were paid in respect of their services.

Trustees' Remuneration
No trustees received remuneration for their roles as trustees for the year ended 31st March 2021 nor for the year ended 31st March 2020.

Trustees' Expenses
There were no trustees' expenses paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

9. TANGIBLE FIXED ASSETS

	Improvements to property	Facilities	Fixtures & Equipment	Plant & Machinery	Totals
	£	£	£	£	
COST					
At 1st April 2020	**435,602**	**371,163**	**1,232,846**	**46,931**	**2,086,542**
Additions	**-**	**-**	**8,277**	**-**	**8,277**
At 31st March 2021	**435,602**	**371,163**	**1,241,123**	**46,931**	**2,094,819**
DEPRECIATION					
At 1st April 2020	**305,946**	**371,163**	**960,465**	**45,075**	**1,682,649**
Charge for year	**18,331**	**-**	**67,721**	**1,172**	**87,224**
At 31st March 2021	**324,277**	**371,163**	**1,028,186**	**46,247**	**1,769,873**
NET BOOK VALUE					
At 31st March 2021	**111,325**	**-**	**212,937**	**684**	**324,946**
At 31st March 2020	129,656	-	272,381	1,856	403,893

10. STOCK

	31.3.21	31.3.20
	£	£
Bar stocks	**2,439**	4,920
Pool chemicals	**2,325**	3,754
Vending and food	**1,416**	2,323
	6,180	10,997

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade debtors	**12,909**	50,805
Prepayments and accrued income	**329,699**	121,886
Other debtors	**300**	300
	342,908	172,991

Debtors include £nil in respect of grants receivable at the year end. All amounts shown under debtors fall due for payment within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	**1,200**	55,319
Taxation and social security	**39,522**	29,369
Amounts owed to Hyndburn Borough Council	**64,552**	836,034
Hire purchase contracts	**39,092**	36,815
Accruals and deferred income	**325,997**	275,075
	470,363	1,232,612

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.21	31.3.20
	£	£
Amounts owed to Hyndburn Borough Council	**1,355,187**	289,041
Hire purchase contracts	**45,775**	75,378
	1,400,962	364,419

Included in the above amount owed to Hyndburn Borough Council is an amount totalling £1,090,647 which is repayable in more than 5 years and by instalments.

14. OPERATING LEASE COMMITMENTS

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

	31.3.21	31.3.20
	£	£
Expiry date:		
Within 1 year	**2,629**	15,729
Between one and five years	**438**	3,068
	3,067	18,797

15. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.21 Total funds	31.3.20 Total Funds
	£	£	£	£
Fixed assets	**302,044**	**22,902**	**324,946**	403,893
Current assets	**596,058**	**86,917**	**682,975**	329,741
Current liabilities	**(470,363)**	**-**	**(470,363)**	(1,232,612)
Long term liabilities	**(1,400,962)**	**-**	**(1,400,962)**	(364,419)
Pension scheme deficit	**(4,140,000)**	**-**	**(4,140,000)**	(2,788,540)
	(5,113,223)	**109,819**	**(5,003,404)**	(3,651,937)

16. UNRESTRICTED FUNDS

	Pension deficit	General funds	Designated funds	Total funds
	£	£	£	£
Balance at 1st April 2020	(2,788,540)	(991,622)	6,928	(3,773,234)
Net income / (expenditure)	(1,351,460)	(14,740)	-	(1,366,200)
Transfers between funds	-	31,058	(4,847)	26,211
	(4,140,000)	(975,304)	2,081	(5,113,223)

Purposes of designated funds

The trustees have designated funds to assist in the future development of the charity. The funds set aside are for the upkeep of facilities at Wilson's Athletic Track.

General fund

The general fund consists of the total of free reserves available to spend on the objectives of the charity. As these are negative, the trustees have considered this when reviewing the going concern status of the charity and are satisfied that the charity remains a going concern particularly in light of the on-going support provided by Hyndburn Borough Council.

17. RESTRICTED FUNDS

	At 1st April 2020	Incoming resources	Outgoing resources	Fund transfers	At 31st March 2021
	£	£	£	£	£
Project fund					
Active Community	2,477	-	-	(2,477)	-
Active Hyndburn Extension	1,389	-	-	(1,389)	-
Cardiac Grant	-	1,628	-	-	1,628
Events at ATH	3,204	-	500	-	3,704
Feasibility study	-	10,000	(10,000)	-	-
Fixed assets	20,407	8,935	(6,440)		22,902
Garfield Grant – Room to play	-	10,000	(10,000)	-	-
Green Gym	-	15,613	(10,200)	(5,413)	-
Inclusion Half Term Week	272	-	-	(272)	-
LEF – Bank Mill	-	16,420	(16,420)	-	-
Lottery Fund - Consultancy	-	4,540	-	-	4,540
National Recovery Lottery Fund	-	51,296	(51,296)	-	-
Ossy Joggers	37	-	-	(37)	-
PCC Scheme	2,000	-	-	(2,000)	-
Phase 4 ATH	1,475	1,324	(2,280)	-	519
Star Track	437	-	-	(437)	-
Street Games – Door Step Activity	160	130	(130)	(160)	-
Talented Athletics Fund	1,465	1	-	(1,466)	-
Together an Active Fund	87,974	154,787	(186,740)	(41,874)	14,147
Up and Active	-	35,227	(2,162)	29,314	62,379
Weight Management	-	26,367	(26,367)	-	-
	121,297	336,268	(321,535)	(26,211)	109,819

17. RESTRICTED FUNDS (CONTINUED)

Active Hyndburn/Active Women/Active Community
Active Hyndburn is a three year project that focuses on encouraging people to maintain their wellbeing through regular active participation in leisure activities. This project was extended during the prior year.

During the prior year an additional project was set up to combine Active Hyndburn with two previously ceased projects, Active Women and the Active Mums project. The combined project is called Active Community.

Cardiac Grant
The cardiac grant supports 17 hours to provide a 12 week cardiac rehab referral programme, that provides low level classes and education sessions, supported by the Health Activator team.

Events at Accrington Town Hall
Funding from the council to contribute to events run from ATH.

Fixed Asset Fund
Restricted element of grants received for the purchase of fixed assets.

Garfield Fund – Room to play
This funding was received for the new Community Pavilion as part of the wider project of regeneration of the borough's greenspaces.

Green Gym
The project aims to provide an outdoor gym in Gatty Park, Accrington and employ a Community Engagement Officer on a two-year contract to promote its use by local residents (including referrals) and to train community volunteers to sustain its use once the two years have elapsed.

Inclusion Half Term Week
Grant awarded to contribute to the running of an activity week for families of children with SEND living in Hyndburn.

Bank Mill
The LEF fund was to improve facilities, refurbishing the reception area and unused side room at Bank Mill House. To offer a welcoming environment for the residents of Great Harwood and increase the wellbeing service offer at Bank mill house.

Lottery Fund – Consultancy
Sport England support to resource consultancy time from Max Associates to provide an external, expert evaluation on the impact that Covid-19 has had and is likely to continue to have on the trust.

17. RESTRICTED FUNDS (CONTINUED)

National Recovery Lottery Fund
DCMS and the Ministry of Housing, Communities and Local Government ("MHCLG") have allocated funding to support leisure centres that are owned by local authorities and have been adversely affected by the COVID-19 pandemic, in particular through temporary closures, social distancing requirements and consumer confidence. Representatives from DCMS, MHCLG and Sport England form a committee to determine jointly whether individual applications for funding are suitable and the amount of funding to be allocated. Sport England is the body designated to distribute the allocated funding to approved applicants and monitor the application of the funds.

Ossy Joggers
Grant funding from Lancashire Sport was obtained for an initial 9 month running to December 2017. The project aims to drive a regular running participation habit in people who don't already have one, including how participants will keep running after the project has finished.

PCC Scheme
Grant funding of £2,000 was received during 2018 from Hyndburn Borough Council, this was to cover the cost of free gym memberships given to children / teenagers who have come out of care to encourage them to stay on track.

Phase 4 ATH
A grant received from Hyndburn Borough Council to improve the furniture and bar in the building.

Star Track
Star Track is a joint venture with Hyndburn Athletics Club providing opportunities for schoolchildren with potential to benefit from participation in track and field athletics, to have access to expert coaching during specialist activity days. Small individual contributions to the day's events finance awards given to participants and further the projects reach.

Street Games Fund
This award was received to help inactive young people from disadvantaged communities to build regular activity habits.

Talented Athletics Fund
The Talented Athletes Fund comprises gifts and donations to be used to support local athletes, through grants and similar awards, in the development of their particular talent.

Together an Active Fund
Funding has been received from Blackburn with Darwen Council to identify innovative solutions to make it easier for people in specific areas to access sport and physical activity.

Weight Management
We are seeking to provide an accessible tier 2 adult weight management service, which supports obese adults to lose weight and improves knowledge and skills in maintaining healthy weight, as part of wider programmes which promote healthy weight and physical activity in localities. This will form an integral part of the NHS Health Checks care pathway and wider obesity pathways. The service will be for an initial term of 3 years commencing 1 April 2020.

18. PENSION ARRANGEMENTS

Net Pension Deficits:

	31.3.21	31.3.20
	£	£
NHS Pension Scheme	**-**	7,540
Lancashire County Pension Scheme	**4,140,000**	2,781,000
	4,140,000	2,788,540

NHS Pension Scheme

Certain employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The assets of the scheme are held separately from those of the charity.

Based on the most recent actuarial valuation as at 31st March 2016, employer contributions of 17.9% are required to be paid from 1st April 2019. Included in these contributions is an additional amount to cover the deficit as at the actuarial valuation date. During the year, normal employer pension contributions of £1,804 (2020: £5,874) were paid to the scheme.

Lancashire County Pension Fund

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 £180,263 (2020: £219,507) were paid to the scheme.

The following calculations as at 31st March 2021 have been provided by the actuaries, Mercer Limited, using the projected unit actuarial costs method. Principal actuarial assumptions used by the actuary were as follows:

	31.3.21	31.3.20
Rate of CPI inflation	**2.70**	2.10
Rate of increase in salaries	**4.20**	3.60
Rate of increase in pensions	**2.80**	2.20
Discount rate	**2.10**	2.40
Life expectancy of a male future pensioner aged 65 in 20 years' time	**23.90**	23.80
Life expectancy of a female future pensioner aged 65 in 20 years' time	**26.90**	26.80
Life expectancy of a male current pensioner aged 65	**22.40**	22.30
Life expectancy of a female current pensioner aged 65	**25.10**	25.00

18. PENSION ARRANGEMENTS (CONTINUED)

The amounts recognised in the balance sheet are as follows:

	31.3.21	31.3.20
	£	£
Present value of funded obligations	**(11,475,000)**	(9,298,000)
Fair value of plan assets	**7,335,000**	6,517,000
Net pension deficit	**(4,140,000)**	(2,781,000)

Analysis of amounts charged to the Statement of Financial Activities:

	31.3.21	31.3.20
	£	£
Operating charge		
Current service cost	**298,000**	424,000
Administration expenses	**6,000**	8,000
Total operating charge	**304,000**	432,000
Other finance costs		
Expected return on pension scheme assets	**(158,000)**	(156,000)
Interest on pension scheme liabilities	**222,000**	215,000
Net charge	**64,000**	59,000
Total charge to resources expended in Statement of Financial Activities	**368,000**	491,000

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

	31.3.21	31.3.20
	£	£
Actuarial gains on assets	**559,000**	40,000
Actuarial losses on liabilities	**(1,730,000)**	(97,000)
Actuarial gain / (loss) recognised	**(1,171,000)**	(57,000)

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

	31.3.21	31.3.20
	£	£
Opening defined benefit obligation	**9,298,000**	8,638,000
Current service cost	**298,000**	424,000
Interest on pension scheme liabilities	**222,000**	215,000
Employee contributions	**58,000**	75,000
Actuarial losses	**1,730,000**	97,000
Benefits paid / transfers	**(131,000)**	(151,000)
Closing defined benefit obligations	**11,475,000**	9,298,000

18. PENSION ARRANGEMENTS (CONTINUED)

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

	31.3.21	31.3.20
	£	£
Opening fair value of plan assets	**6,517,000**	6,173,000
Expected return on plan assets	**158,000**	156,000
Actuarial gains	**559,000**	40,000
Employer contributions	**180,000**	232,000
Employee contributions	**58,000**	75,000
Administration expenses	**(6,000)**	(8,000)
Benefits paid / transfers	**(131,000)**	(151,000)
Closing fair value of plan assets	**7,335,000**	6,517,000

The split of assets between investment categories is as follows:

	2021	**2021**	2020	2020
	£	**%**	£	%
Equities	**3,440,000**	**46.90**	3,454,000	53.00
Government bonds	**-**	**-**	-	-
Other bonds	**-**	**-**	163,000	2.50
Property	**1,042,000**	**14.20**	554,000	8.50
Cash/liquidity	**161,000**	**2.20**	182,000	2.80
Other	**2,692,000**	**36.70**	2,164,000	33.20
	7,335,000	**100.00**	6,517,000	100.00

Amounts for the current and previous periods are as follows:

	2021	2020	2019	2018
	£	£	£	£
Defined benefit obligation	**(11,475,000)**	(9,298,000)	(8,638,000)	(7,670,000)
Plan assets	**7,335,000**	6,517,000	6,173,000	5,460,000
	(4,140,000)	(2,781,000)	(2,465,000)	(2,210,000)

A full actuarial review of the scheme was undertaken as at 31st March 2021.

Following the full actuarial valuation at 31st March 2021, employer contributions were agreed to stay at a rate of 16.90% with effect from 1st April 2021.

The current estimate of employer contributions for the year ended 31st March 2022 is £182,000. Implied service cost is estimated at £394,000 and a net interest and administration cost at £91,000 resulting in the deficit increasing by an estimated £303,000 to £4,443,000.

19. RELATED PARTY TRANSACTIONS

The charity receives a level of grant funding from Hyndburn Borough Council. The Council also has the power to appoint up to two trustees of the charity. The grant funding received during the year and the amounts owed to Hyndburn Borough Council at 31 March 2021 are summarised as follows:

	31.3.21	31.3.20
	£	£
Grant funding receivable – unrestricted	**75,000**	75,000
COVID-19 Grant funding receivable – unrestricted	**705,320**	-
Other income receivable - unrestricted	**38,550**	79,928
Other income receivable – restricted	**-**	-
Net amounts owed to Hyndburn Borough Council	**1,419,739**	1,125,075

During the year, Hyndburn Borough Council provided cashflow funding amounting to £294,664, increasing the net amounts owed to £1,419,739 from £1,125,075. This balance has been converted in to a long term loan repayable over 25 years.

Certain properties, occupied and operated by the charity, are provided by Hyndburn Borough Council on a peppercorn rent in accordance with leases which expire on 31 March 2027. The estimated benefit of the low rentals for these properties is £270,325 (2020: £270,325).

Income and expenditure also includes notional amounts totalling £16,335 (2020: £16,335), in respect of gym equipment bought by Hyndburn Borough Council in prior years that the trust utilises but is not charged.

20. 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 current liabilities and net total liabilities (including the pension scheme deficit) as at 31st March 2021 because the trustees are satisfied that subject to the reservations identified in the Going Concern paragraph in the Trustees Report, 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 2027 of the management agreement with Hyndburn 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 2022.
g) The details included in the Report of the Trustees which sets out the impact Coronavirus has had on the charity.

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