

BH LIVE
(A company limited by guarantee)

Charity number: 1138311

BH Live

Registered number: 07092112

Trustees' report and financial statements

For the year ended 31 March 2021

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 MARCH 2021

Trustees

Michael Wright, Chair
Paul Collins, Vice Chair
Robert Boulton
Philip Dewhurst
Lyn Glass
Sandra Graham
Martin Kimberley
Cllr Stephen Bartlett (appointed 17 November 2020)
Cllr Mohan Iyengar (appointed 17 November 2020)
Philip Gowers (resigned 27 May 2021)
Dorcas Williams (resigned 7 January 2021)
Cllr Lewis Allison (resigned 17 November 2020)
Cllr Lisa Northover (resigned 17 November 2020)

Company registered number

07092112

Charity registered number

1138311

Registered office

Bournemouth International Centre
Exeter Road
Bournemouth
Dorset
BH2 5BH

Company secretary

Stephen Lane

Independent auditors

Mazars LLP
Chartered Accountants
Statutory Auditor
5th Floor, Merck House
Seldown Lane
Poole
Dorset
BH15 1TW

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES
AND ADVISERS**
FOR THE YEAR ENDED 31 MARCH 2021

Advisers (continued)

Bankers

HSBC Plc
P O Box 10
59 Old Christchurch Road
Bournemouth
Dorset
BH1 1EH

Solicitors

Devonshires Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

Paris Smith
1 London Road
Southampton
SO15 2AE

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also directors of the charitable company for the purposes of the Companies Act, present their annual report together with the audited financial statements of the group and the company BH Live and its subsidiary for the year 1 April 2020 to 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The Trustees confirm that the annual report and financial statements comply with the current statutory requirements, the requirements of the governing document 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).

Objectives and policies

BH Live has been established for the benefit of the public for the following purposes:

- To provide or assist in the provision of facilities and services for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services; and/or
- To promote community participation in healthy recreation; and/or
- To provide or assist in the provision of facilities for art, culture and heritage; and/or
- To provide or assist in the provision and management of parks and open spaces; and/or
- Such other charitable purposes beneficial to the community consistent with the objects above.

Achievements and performance

BH Live's vision of Creating Opportunities, Inspiring People and Enriching Lives represents the ambition of:

- Encouraging more people to take part in physical activity – by providing leisure facilities to encourage active communities and improve health and wellbeing;
- Attracting higher audiences - with a diverse range of cultural, artistic and community engagement events;
- Deliver economic benefit – by hosting major conferences, exhibitions and events that benefit the local, regional and international economy.

BH Live's key theme for 2020/21 was:

- Dealing with the impact of the COVID-19 pandemic to ensure the survival of the business
- Maintaining positive cash flow
- Negotiating with all key partners, suppliers, and bank to establish a contractual, financial and operational platform to ensure upon reopening we were fit for the future

Social Impact & Public Benefit

Sport, Recreation and Leisure

The COVID-19 pandemic has had a significant impact on the sport and leisure services we have been able to provide to our customers and the wider community this year. Following Government legislation our facilities closed in March 2020 for the first lockdown and remained closed until 25th July 2020. During this period of closure, we sustained a net loss of over 10,000 leisure memberships and over 1,000 children from our junior activity courses. When we were permitted to reopen we offered our customers a membership freeze for up to 3 months if they had concerns and were not ready to return.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

The full impact of the lockdowns and social distancing (capacity) measures reduced anticipated income from approximately £21 million to £4 million in our leisure division.

Working with its local authority partners BH Live was successful in securing National Leisure Recovery Fund (NLRFF) Grants funding for all leisure venues totalling £470k. This contributed to maintaining a ready state for expected reopening in April 2021.

On 25th July, working with our local authority partners, we opened a restricted service of only operating dry side facilities of gyms and classes. July saw positive feedback and success with our phased reopening and new operating safety measures including pre-booking for activities and enhanced cleaning. Portsmouth sites had seen an initial 45% membership return across sites and 49% in Bournemouth versus pre COVID-19 levels.

In September 2020, as restrictions started to ease further and customer confidence grew, we opened all our swimming pools as well as hospitality, changing facilities, outdoor pitches and indoor sports. Queens Park remained closed until 5th October and in consultation with Portsmouth City Council Eastney Swimming Pool & Wimbledon Park Sports Centre remain closed due to operational concerns.

Following the additional lockdowns during November and from January 2021, our priority was to keep in touch with our current members, and freeze membership accounts so they were not paying for our services whilst we were closed. From April 2021, we were expecting to have a return rate of 52% of members versus pre COVID-19 levels and 14% of memberships still frozen until restrictions are fully lifted.

Lockdown Initiatives

BH Live worked closely with Les Mills throughout lockdowns to provide on-demand content on BH Live's website. We had an average of 300 members use the service each day with over 100+ Les Mills classes online that our members had access to. Preparation for a permanent at home and live streaming service was developed during this period to start in April 2021.

In partnership with EnergiseMe, the Health & Wellbeing team in Portsmouth won funding to deliver online zoom classes specifically for people with autism, mental health illness, Chronic Obstructive Pulmonary Disease (COPD), Parkinson's disease, and those who are on a healthcare pathway following a stroke or cardiac event. Classes included online disability yoga and seated exercise, alongside walking, pole walking and cycling in small groups (once we reopened). These were provided by BH Live's fitness instructors and Interaction Service.

During lockdown, BH Live's leisure facilities donated food and drink that was due to expire to local charities and food banks.

Culture and Arts

In the Financial Year 2020/2021, BH Live's cultural events programme was critically impacted by COVID-19 with all venues closed and placed into hibernation in March 2020 with very little activity allowed for the entire year. The main focus was managing event cancellations and rescheduling. Events impacted by COVID-19 were either cancelled or postponed to future dates with subsidised pricing held

The full impact of the lockdowns and social distancing (capacity) measures reduced anticipated income from £22.7 million to £1.05 million in our culture and arts division. In all 422 show performances were either cancelled or postponed during the year across our venues.

Our venues Bournemouth International Centre, Bournemouth Pavilion and Fairfield Halls were placed into hibernation with our staff protected by the furlough provision. A skeleton team remained working during the period to oversee promoter relations and a rolling programme of event rescheduling and cancellation.

Almost all events were rescheduled between April 2020 and 31 March 2021 with customers opting to retain

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

tickets for the new date, protecting event revenue and supporting confidence when restrictions eased.

The Bournemouth Pavilion was able to host 7 socially distanced performances during December 2020 before lockdown 2 was introduced, these included Rocky Horror, Agudo Dance, Treehouse productions, LMP, Christmas Specular.

Working with the NHS Inoculation centres were created at the Bournemouth International Centre and Fairfield Halls and a lateral flow testing centre was set up in the Pavilion Ballroom.

At Fairfield Halls we continued to support the resident companies - Talawa Theatre, The London Mozart Players, SAVVY Theatre and the Yamaha Music School.

BH Live received a £2,499,531 grant from the Arts Council following a Culture Recovery Fund (CRF) application. These funds have been used to protect cultural roles at the Bournemouth International Centre, Pavilion and Fairfield Halls, investing in new ticketing technology and websites and to support the reopening of our venues.

Corporate Responsibility

The development of an environmentally aware culture is a prime focus of BH Live's undertakings, having reviewed and updated BH Live's Environmental Strategy, focus was turned to developing the key themed plans that are appended to the main environmental strategy. In January, the Energy and Water Strategy was issued in partnership with Portsmouth City Council's Energy Purchasing Team.

Utilities consumption was reduced due to the closure of facilities. To this end all building plant and energy consuming equipment was either switched off or put into "tick over" mode. Additionally, BH Live took the opportunity to extend its Gas & Electricity unit forward purchasing in order to take advantage of record decreases in unit prices seen in April & May 2020.

We continue to commit resources to reduce energy consumption. We have now replaced over 50% of high energy consuming flood lights to LED lighting in the external artificial football pitches at Littledown Sports Centre. The remaining lights being scheduled for replacement by the end of 2021.

All of our utility supplies have now been fitted with Automatic Meter Reading (AMR) capability. This enables more accurate consumption control and billing accuracy.

Trading Subsidiary

BH Live as a social enterprise continues to operate commercial activities through its trading subsidiary which directly support the charitable activities.

During the year all of the scheduled conferences and exhibitions were either postponed or cancelled due to the COVID-19 pandemic.

During the year we successfully launched the 'Container Bar' on the Pavilion Terrace. In addition to providing a much-needed open air service its success enabled us to retain key hospitality staff whilst generating significant new income.

We continue to support Business Events Bournemouth, which is the region's destination marketing hub and business event venue finder, in partnership with BCP Council and Bournemouth's Business Improvement Districts (BID), Coastal BID and Town Centre BID.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Expansion and Investment

Investment was made into the following new systems :

Ticketing system, plus updated websites
HR and Payroll system

Quality

- Several Centres passed inspection on COVID-19 Security Measures by Local Authority Environmental Protection Officers.
- Operated all leisure venues under the COVID-19 safe guidance measures issued by UK Active.

Financial review

Results for the year ended 31 March 2021

BH Live reported a deficit for the year of £2,436,461, this deficit is solely due to the impact of the COVID-19 pandemic. All our venues closed from 20th March 2020 as part of the national lockdowns and also local restrictions in Portsmouth and Bournemouth during December 2020. As a result, most leisure centres were closed for at least eight months of the year and when open subject to capacity restrictions whilst our cultural venues were effectively closed for the entire year.

Our loss was limited to our previous year's retained reserves due to financial support from our local authority partners and being successful with grant bids for the Cultural Recovery Fund, the National Leisure Recovery Fund and other COVID-19 local support grants.

The trading subsidiary has recorded a profit of £ 234,838 which is gift aided to the Charity.

Most expenditure incurred by BH Live is directly related to the activities, building maintenance and services provided to customers and clients. Additionally, BH Live invests in developing its facilities, staff, sports and cultural programming and infrastructure to increase activity, attendances and customer experience.

Going Concern

BH Live has been deeply affected by the COVID-19 pandemic as a result of multiple lockdowns which have reduced charitable and trading income by significant levels (from £36.2 million in 2019/20 to £6.1 million in 2020/21). Therefore throughout 2020 and into 2021 BH Live has minimised costs and maximised income to ensure the survival of the business until the pandemic is over.

The following actions have taken place to protect the business and ensure that when normal trading resumes in 2021, we are well placed to take advantage of the return to normality:

- BH Live has taken full advantage of the Job Retention scheme (CJRS) by furloughing the majority of staff, only keeping an essential small core team working. This scheme is currently expected to be used until the end of June 2021.
- BH Live successfully applied for and received a £2.5m Cultural Recovery Grant. Some of these funds have been used to invest in new systems and technology so that the business is more efficient in the future.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

- Support packages and fee reductions were agreed with BH Live's 3 main trading partners (BCP, PCC and LBC Councils) for 20/21 and future years. Each partner Council was supportive by committing finances and amending agreements in order to retain BH Live as their leisure and culture partner and ensure we would be able to deliver our business plan for them and their communities going forward.
- A major restructuring and redundancy programme was carried out enabling a leaner future fixed staff cost.
- Other contracts were terminated, or expenditure reductions negotiated.
- As a result of these actions BH Live ensured that its Net Assets remained positive at the end of its 20/21 financial year. This was guaranteed as a result of the above support packages.
- This guaranteed positive net asset position at the end of 20/21 enabled BH Live to apply for and receive a £5m Coronavirus Business Interruption loan (CBIL) from HSBC. This loan is interest and fee free for the first 12 months and is repayable over 5 years after the first 12 months period.
- Throughout the pandemic BH Live has maintained positive cash balances as a result of advance ticket sales for events that have been re-arranged to future dates and the successful CBIL .
- BH Live has taken advantage of all other government support schemes such as Business Rates reductions, VAT payment deferral and other support grants.

Looking forward to 2021 and beyond the BH Live Board and senior management team are confident that BH Live will return to profitability when normal trading can resume following the lockdowns.

Based upon industry research we anticipate that leisure and gym membership income will gradually recover during 2021, and that event income will be very strong when social distancing measures are relaxed. There is demand and desire for people to return to normal. This is evidenced by very few cancellations of events and requests for ticket refunds.

The return to normal trading when combined with the measures taken above should ensure that BH Live has a strong and viable future business.

The first quarter of 2021/22 has seen the business return to profitability.

The main risk that remains is that there are further lockdowns during 2021/22. If this happens then similar actions will be taken to those in 2021/22 to protect the viability of the business.

Reserves policy

The Trustees regularly review BH Live's Reserves Policy. The Trustees have approved a Reserves Policy in line with the guidance issued by The Charity Commission. The purpose of these reserves is to safeguard both against significant loss in income and any unforeseen adverse circumstances and to facilitate the continuance of the deliverance of the charitable company's stated objectives.

BH Live operates four distinct areas of business, Sport and Leisure, Conferences and Exhibitions, Entertainment and Hospitality. Prior to COVID-19 an internal risk assessment deemed that the probability of all areas of the business being impacted by a significant loss in income and/or any unforeseen adverse circumstances at the same time was minimal. Based on this, a prudent estimation of reserve cover was one month's expenditure of the largest turnover based business unit, equating to a reserve level of £1.5 million. At the end of the year the group held reserves of £1.

However, the COVID-19 pandemic has had a significant impact on the business and has affected all areas since the national lockdown on 20th March 2020. BH Live therefore made substantial losses during 2020/21 reducing reserves to £1.

Looking forward our reserves policy will be to rebuild our reserves to a much higher level to protect the business from future shocks. Our aim is to build up reserves in excess of £5 million to cover the amount of advance ticket sales that BH Live collect. This will take many years to deliver and will affect business decisions

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

ensuring that the rebuilding of reserves is a priority as we grow back the business.

Investment policy

Funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be held in cash and invested in short term money market accounts.

Given the COVID-19 pandemic the priority is to ensure that any surplus cash is available at short notice to provide short term liquidity and protect the business from further possible restrictions that may be imposed.

Investment income shown in the account represents predominately short-term investments in the Money Market.

Strategies and policies

Performance against the budgets is reported to the Board on a quarterly basis and the strategy is reviewed on an annual basis.

The business plan prepared in February 2020 was significantly affected by the COVID-19 pandemic. The strategy during the remainder of 2020 was to ensure the survival and future viability of the business.

During 2020, BH Live reduced expenditure and embarked on a major restructuring to ensure the business is more efficient in the future. The business has also taken advantage of every government support measure, including the Job Retention Scheme and VAT payment deferral, plus has applied for a Cultural Recovery Grant and Coronavirus Business Interruption Loan.

BH Live has worked closely with major partners (BCP, PCC and LBC councils), suppliers and landlords.

The combination of the above, together with very careful cash flow management will enable the business to survive the COVID-19 related downturn. The future strategy will be focused around returning the business to profitability to rebuild our reserves. This will involve improvements in processes and making the business more efficient throughout, using new technologies and systems.

A one year budget was prepared and approved in February 2021 prior to the known release date of lockdown 2 and any subsequent restrictions. The focusing of the business plan was recovery and de risking of the business during 2021/22.

A new three year business plan will be prepared in February 2022 from a position of some certainty.

Budgetary control is supported by documented internal procedures which include the approved delegation of investment, purchases and contracts/leases.

Risk

The major risks to which the Trust could be exposed to have been reviewed and systems established to mitigate these risks, this includes developing a strategic risk register which includes consideration of impact and remedial actions. The register is continually reviewed and revised, staff also receive training in undertaking risk assessments. The strategic risk register has been presented each Board meeting.

The Trust is not exposed to currency risk and has minimal exposure to interest rate risk, price risk or market risk.

Negotiations with our primary partners to de risk our commercial exposure by way of surplus share mechanisms has been met positively.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Senior Management Team Remuneration Policy

The pay and remuneration of key management staff is set with reference to the complexity of each role and is benchmarked against similar organisations in the region and in the charity sector. Annual pay progression is discretionary and subject to performance, affordability and the prevailing market rate for the role. During the year all of the senior management team voluntarily reduced pay and reduced working to enable the continuation of the business.

Employee involvement and employment of the disabled

BH Live continues to actively engage with its workforce striving to create a great place to work, giving colleagues' job satisfaction, and reviewing opportunities for development.

The organisations response to COVID-19 has paused some of the cultural change initiatives planned for the past year. These will now be reviewed and repositioned taking into account the results and effects the pandemic has had in general.

How BH Live continues to formally recognise the great work given by colleagues was paused during the pandemic whilst the majority of colleagues were on furlough. Formal processes will be reviewed as part of the cultural change programme to ensure the approach is fresh and valued

The Joint Consultative Committee remains a valued group and have worked closely with the business to identify and deliver efficiencies as part of a business wide restructure undertaken during the summer months of 2020. Their contribution was greatly valued during difficult times.

As the business remobilises following the pandemic, the e-learning portal, Learning Zone, has been refreshed to house both organisational specific content and pre-populated accredited material. Formal induction modules and career pathways are due to be relaunched in summer 2021. The Management Development and Advanced Management Development Programmes are investing in the managers for the future providing them with a recognised professional qualification

BH Live continues to review and learn from its communication channels to meet the needs of colleagues. Current channels used include organisational briefings, team briefings and feedback workshops, staff newsletters and Yammer, a social networking tool. With the majority of colleagues placed on furlough greater use of personal email and an organisation Facebook page proved successful ways to keep in touch, including a live Q&A broadcast with the Chief Exec and video messages from Head of Departments. These approaches will be adopted as part of the standard communication suite.

April 2021 sees the launch of a new HR and Payroll portal (Access People) which provides further ways for the business to communicate with colleagues, through the use of a document library, editable landing pages, and enabling individuals to self-serve such as viewing payslips and requesting holidays, all welcome additions in enabling managers and colleagues to support themselves.

As March 2021 draws to a close we recognise the challenging year this has been for our colleagues, whether this being on furlough, receiving reduced pay (either as part of furlough or voluntary reductions to support the business) or from the business wide restructure seeing colleagues leaving the business. As BH Live remobilises employee support and engagement remain a key focus.

The charity has in place a number of detailed policies in relation to all aspects of personnel matters including an Equality and Diversity Policy and a Health and Safety Policy.

BH Live recognises our responsibility under the Equality Act 2010. In accordance with our Equality and Diversity Policy we have long established fair employment practices in the recruitment, selection, retention and

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

training of disabled staff and consider our communication style and approach with, for example, engaging sign language interpreters for team meetings.

The charity has met its legal obligations in publishing the Gender Pay Gap Report, copies are available on the website.

Plans for future periods

Future developments

The Trust continues to work closely with BCP Council, Portsmouth City Council and Croydon Council and other partners to deliver high quality services, to strengthen and develop the contribution that leisure and culture can make to the quality of life of the local community and its customers.

Surviving the COVID-19 pandemic and returning the business to profitability is the priority for 2021 and beyond. This may take several years as improving consumer confidence and returning to business back to normal will take time. This will include building gym membership levels back to pre COVID-19 numbers, being able to open and successfully deliver events at the Bournemouth International Centre, Pavilion Theatre, and Fairfield Halls.

The procurement of new ticketing platform is part of our digital transformation agenda paving the way for a single, unified way of working across all of our venues, the use of automation to replace administrative tasks and the introduction of artificial intelligence to enable large scale communications on a personalised basis.

The ticketing platform will store, control and act as our cultural inventory enabling new venue websites to provide a seamless customer buying journey across desktop, tablet, and mobile devices. This paves the way for our customers to connect with the venues that serve them and will provide the foundations for our membership and loyalty ambitions.

In addition, the ticketing platform will provide up-to-date security features and a cloud-oriented and open-architecture to allow technical flexibility and future proofing.

We are also introducing a new HR, payroll and time management system to provide a more efficient, easy to use way of working including giving our staff the ability to self-serve for requests, changes and time recording.

Work with Portsmouth City Council to deliver a £2.5 million redevelopment of the Pyramids Centre continues. The conversion of the swimming pool area into a soft play and bounce centre and extended gym and fitness facilities to the current events space will significantly change the venues financial sustainability and provide us with fantastic new product ranges.

BH Live remain preferred partners for Fareham Borough Council's proposed multi million pound redeveloped Ferneham Hall.

Work with BCP Council for the two phase development for Bournemouth International Centre, providing improved facilities in the short term whilst considering the longer term vision for the conference and events centre.

In preparation for the Borough of Culture 2023 we will continue to develop and mobilise Fairfield Halls with London Borough of Croydon.

We will continue to promote a culture of excellence, customer service and business performance including excelling in QUEST and other quality awards.

Focus on expanding our Training Academy and deliver Valuing People objectives linked to the IIP standard.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

Constitution

BH Live is a registered charity, charity number 1138311 and a company limited by guarantee, company Number 07092112. BH Live (Enterprises) Limited, Company Number 07175626 is a wholly owned trading subsidiary of the parent organisation, BH Live. It has been established to manage the non-charitable activities, primarily relating to Conferences and Exhibitions.

The composition and size of the Board is reviewed regularly to assess the skills requirement of the Board for it to meet the needs of the charity. The Board of Trustees was set up through a mix of identified skill sets, through open adverts in the press and BCP Council (formerly Bournemouth Borough Council) nominees. Replacement Trustees are recruited in a similar manner. The Board meets at least four times per year, with a Designated General Meeting normally being held in September of each year.

BH Live has a policy of arrangements under which potential conflicts of interest can be recognised and managed. The purpose of these arrangements is to avoid any danger of Trustees being influenced or appearing to be influenced by their private interests in the exercise of their Trustee duties.

A register of Trustee's relevant interests is maintained. In addition, a standing item of all Board and Committee meetings requires Trustees to declare interests if they have an interest, pecuniary or otherwise, in any matter being considered. The Board or Committee will then decide whether it is appropriate for the Trustee to participate or withdraw from the meeting.

Trustees

The Trustees (who are also directors of BH Live for the purpose of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and regulations. Those that served during the year ended 31 March 2021 and at the date of the report were:

Michael Wright, Chair
Paul Collins, Vice Chair
Robert Boulton
Philip Dewhurst
Lyn Glass
Sandra Graham
Martin Kimberley
Cllr Stephen Bartlett (appointed 17 November 2020)
Cllr Mohan Iyengar (appointed 17 November 2020)
Philip Gowers (resigned 27 May 2021)
Dorcas Williams (resigned 7 January 2021)
Cllr Lewis Allison (resigned 17 November 2020)
Cllr Lisa Northover (resigned 17 November 2020)

Trustees have no beneficial interest in the charitable company.

Sub committees include the Audit & Compliance Committee and its members are listed below:

Martin Kimberley (Chair)
Lyn Glass
Sandra Graham
Chris Symons (Chief Executive)
Jon Workman (Director of Finance and Business Support)

During the pandemic the Senior Leadership Team has met as a minimum weekly with the following in

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

attendance:

Chris Symons (Chief Executive)
Jon Workman (Director of Finance and Business Support)
Matt Goode (Associate Director)
Teresa Beckingham (Head of HR and L&D)
David Christie (Head of Hospitality)
Roy Clarke (Head of Technical Services)
Rob Cunningham (Head of Leisure)
Steve Lane (Head of Finance)
Steve Turner (Divisional General Manager)

Trustee Induction, Training and Development

New Directors/Trustees undergo an induction session with the Chief Executive and/or Director of Finance & Business Support/Company Secretary to brief them on their legal obligations under Charity and Company Law, the contents of the Memorandum and Articles of Association and the decision-making processes at Board meeting and Committees. They are provided with an induction pack and site visits and guided tours to all venues within the organisation. Training for Trustees is regularly monitored and reviewed. A Board appraisal exercise is undertaken on an annual basis.

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Provision of Information to Auditor

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

- so far as that Trustee is aware, there is no relevant audit information of which the group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the group's auditors in connection with preparing their report and to establish that the group's auditors are aware of that information.

Auditor

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on Oct 7, 2021 and signed on their behalf by:


MRWright (Oct 7, 2021 10:52 GMT+1)

Michael Wright, Chair

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BH LIVE

Opinion

We have audited the financial statements of BH Live (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account, the Consolidation Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows 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 FRS 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 group's and of the parent charity's affairs as at 31 March 2021 and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 company'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 trustees 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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BH LIVE

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BH LIVE

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 Trustees' Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also directors of the parent charity 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 is 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 directors are responsible for assessing the group's and the parent 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 directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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

BH LIVE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BH LIVE

expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BH LIVE

Use of the audit report

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Marchant (Senior statutory auditor)

for and on behalf of Mazars LLP

5th Floor, Merck House
Seldown Lane

Poole
Dorset
BH15 1TW

Date: Oct 8, 2021

BH LIVE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME
AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Charitable activities	4a	32,873	4,984,984	5,017,857	30,050,548
Other trading activities	2	-	1,125,668	1,125,668	6,157,071
Investments	3	-	-	-	5,335
Other income	4b	-	12,072,754	12,072,754	-
Total income and endowments		32,873	18,183,406	18,216,279	36,212,954
Expenditure on:					
Raising funds	2	-	879,226	879,226	5,460,565
Charitable activities	5,9	48	19,773,466	19,773,514	31,362,169
Total expenditure	10	48	20,652,692	20,652,740	36,822,734
Net income / (expenditure) before taxation		32,825	(2,469,286)	(2,436,461)	(609,780)
Taxation	2	-	-	-	(465)
Net income / (expenditure) before other recognised gains and losses		32,825	(2,469,286)	(2,436,461)	(610,245)
Net movement in funds		32,825	(2,469,286)	(2,436,461)	(610,245)
Transfers		101	(101)	-	-
Reconciliation of funds:					
Total funds brought forward		72,679	2,363,783	2,436,462	3,046,707
Total funds carried forward		105,605	(105,604)	1	2,436,462

The notes on pages 22 to 41 form part of these financial statements.

BH LIVE

Registered number: 07092112

(A company limited by guarantee)**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	13		232,964		310,353
Tangible assets	14		<u>6,045,791</u>		<u>7,400,011</u>
			6,278,755		7,710,364
Current assets					
Stocks	16	82,140		203,065	
Debtors	17	4,325,614		3,232,465	
Cash at bank and in hand	23	<u>4,847,011</u>		<u>4,264,535</u>	
		9,254,765		7,700,065	
Creditors: amounts falling due within one year	18	<u>(8,798,001)</u>		<u>(8,150,782)</u>	
Net current assets/ liabilities			<u>456,764</u>		<u>(450,717)</u>
Total assets less current liabilities			6,735,519		7,259,647
Creditors: amounts falling due after more than one year	19		<u>(6,735,518)</u>		<u>(4,823,185)</u>
Net assets			<u>1</u>		<u>2,436,462</u>
Charity Funds					
Restricted funds	20		105,605		72,679
Unrestricted funds	20		<u>(105,604)</u>		<u>2,363,783</u>
Total funds			<u>1</u>		<u>2,436,462</u>

The financial statements were approved and authorised for issue by the Trustees on Oct 7, 2021 and signed on their behalf, by:


MRWright (Oct 7, 2021 10:52 GMT+1)

Michael Wright, Chair

The notes on pages 22 to 41 form part of these financial statements.

BH LIVE
(A company limited by guarantee)

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	13		232,964		310,353
Tangible assets	14		6,045,791		7,400,011
Investments	15		<u>1</u>		<u>1</u>
			6,278,756		7,710,365
Current assets					
Stocks	16	79,650			150,571
Debtors	17	4,180,407			2,636,012
Cash at bank and in hand		<u>4,791,503</u>			<u>2,530,293</u>
		9,051,561			5,316,876
Creditors: amounts falling due within one year	18	<u>(8,954,700)</u>			<u>(6,763,342)</u>
Net current assets / (liabilities)			<u>96,861</u>		<u>(1,446,466)</u>
Total assets less current liabilities			6,375,617		6,263,899
Creditors: amounts falling due after more than one year	19		<u>(6,610,454)</u>		<u>(4,513,502)</u>
Net assets			<u>(234,837)</u>		<u>1,750,397</u>
Charity funds					
Restricted funds	20		105,605		72,678
Unrestricted funds			<u>(340,442)</u>		<u>1,677,719</u>
Total funds			<u>(234,837)</u>		<u>1,750,397</u>

The financial statements were approved and authorised for issue by the Trustees on Oct 7, 2021 and signed on their behalf, by:


 MRWright (Oct 7, 2021 10:52 GMT+1)

Michael Wright, Chair

The notes on pages 22 to 41 form part of these financial statements.

BH LIVE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	22	(4,103,490)	3,268,390
Cash flows from investing activities:			
Interest received		-	5,335
Proceeds from the sale of tangible fixed assets		37,491	18,563
Purchase of tangible fixed assets		-	(1,560,519)
Interest paid		(17,450)	(27,463)
Purchase of intangible fixed assets		-	(73,992)
Net cash used in investing activities		20,041	(1,638,076)
Cash flows from financing activities:			
Repayments of finance leases		(254,075)	(383,416)
New loan acquired less repayments		4,920,000	-
New finance leases		-	165,778
Net cash (used in) / provided by financing activities		4,665,925	(217,638)
Change in cash and cash equivalents in the year		582,476	1,412,676
Cash and cash equivalents brought forward		4,264,535	2,851,859
Cash and cash equivalents carried forward		4,847,011	4,264,535

The notes on pages 22 to 41 form part of these financial statements.

BH LIVE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

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

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 10. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The Financial Statements have been prepared on the basis that the charity is a going concern. The Trustees have outlined the actions taken in response to the Pandemic in the Trustees report and consider that they ensure the business is able to continue for the foreseeable future. The Trustees believe that these actions will enable the charity to be able to meet its obligations and, while the timing of a return to more normal activity levels is still uncertain, have modelled scenarios to mitigate against new unforeseen circumstances. Specifically the support provided by our main partners and the Coronavirus Business Interruption loan provide the charity with a level of security for the next few years whilst the business recovers from the Covid 19 pandemic.

The assumptions used throughout are based on the best knowledge available to the Board and Executive at time of signing. Our business assumptions have been scrutinised by a number of reputable organisations, including local authorities, and bank lenders, all of whom agreed that the assumptions used are cautiously realistic and based on the best information available locally and nationally. Significant assumptions used include:

- Vaccinations to COVID-19 in England are being delivered successfully and government advice is that the majority of BHLive customers will have been vaccinated by Summer/autumn 2021. Also, the current vaccines are thought to be effective against current mutations of COVID-19.
- Where either national or local restrictions enforce closure of BHLive services, there has been and will continue to be financial support such as furlough and other grants at similar levels to those available previously.
- Our expectations as to demand for our services as COVID restrictions lift are based on previous experience, national survey data (where available) and local intelligence, however although we anticipate leisure recovering gradually from Q1 2021/22 our modelling assumes recovery will be in Q3 and Q4 for conferencing and entertainment.

BH LIVE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy, except for grants and donations where the donor:

- Specifies that donations and grants given to the charity must be used in future accounting
- Imposes conditions which have to be fulfilled before the charity becomes entitled to use such

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated to the applicable expenditure headings.

Costs of generating funds are costs incurred in attracting voluntary income.

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

Charitable expenditure and basis of allocation of costs comprises those costs incurred by the charity in the delivery of its activities and services to enable the charity to meet its charitable aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Staff costs and overhead expenses are allocated to activities on the basis of employee numbers.

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 of the charity.

1.6 Interest receivable

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

1.7 Intangible fixed assets and amortisation

Software assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of the software, less their estimated residual value, over their expected useful lives. The amortisation rate applied to software assets is between 10% and 20% straight line.

BH LIVE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1.8 Tangible fixed assets and depreciation

The company operates a £1,000 de minimis value on fixed asset additions, amounts lower than this limit are fully expensed in the period of purchase.

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

Long Term Leasehold Improvements	-	straight line over the lease term
Catering Equipment	-	20% straight line
Gym Equipment	-	10% straight line
Fixtures & fittings	-	7% - 20% straight line

1.9 Investments

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

1.10 Stocks

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

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

BH LIVE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1.15 Fund accounting

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of the unrestricted general funds for specific purposes or projects.

Restricted funds - these are funds that 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 accounts.

1.16 Leasing and hire purchase

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

1.17 Pensions

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

The company operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities represents contributions payable to the scheme in respect of the accounting period.

1.18 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax expense for the year relates to BH Live Enterprises Limited. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

BH LIVE

(A company limited by guarantee)

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

2. Trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Trading income			
Turnover	1,125,668	1,125,668	6,157,071
Trading expenses			
Cost of sales	430,135	430,135	3,941,560
Administrative expenses	449,091	449,091	1,519,005
Total	<u>879,226</u>	<u>879,226</u>	<u>5,460,565</u>
Net income from trading activities	<u>246,442</u>	<u>246,442</u>	<u>696,506</u>

Expenses payable to BH Live by the trading company was £523,018 (2020 £1,422,633).

On the face of the Consolidated Statement of Financial Activities all income is recognised within activities for generating funds and all expenditure is recognised within fundraising expenses and other costs, after removal of intercompany consolidation transactions.

All of the net income figure above is shown before taxation charges of £0. The trading subsidiary remits surplus net income to the Charity to the extent it is able to via a gift aid payment.

3. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	-	-	5,335
Total 2020	<u>5,335</u>	<u>5,335</u>	

4a. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Culture & Arts	12,873	1,039,816	1,052,689	10,227,257
Sport, Recreation & Leisure	20,000	3,945,168	3,965,168	19,823,291
Total 2021	<u>32,873</u>	<u>4,984,984</u>	<u>5,017,857</u>	<u>30,050,548</u>
Total 2020	<u>29,687</u>	<u>30,020,861</u>	<u>30,050,548</u>	

BH LIVE

(A company limited by guarantee)

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

4b. Other Income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
CJRS	-	7,963,782	7,963,782	-
Other Covid-19 Grants	-	4,108,972	4,108,972	-
Total 2021	-	12,072,754	12,072,754	-
Total 2020	-	-	-	-

5. Analysis of expenditure on charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Culture & Arts	-	3,894,026	3,894,026	10,496,180
Sport, Recreation & Leisure	48	7,873,101	7,873,149	20,827,986
CJRS staffing costs	-	7,963,782	7,963,782	-
Total 2021	48	19,730,909	19,730,957	31,324,166
Total 2020	16,984	31,307,182	31,324,166	-

6. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Culture & Arts	1,088,431	2,805,595	3,894,026	10,496,180
Sport, Recreation & Leisure	2,391,546	5,481,603	7,873,149	20,827,986
CJRS staffing costs	-	7,963,782	7,963,782	-
Total 2021	3,479,977	16,250,980	19,730,957	31,324,166
Total 2020	15,268,272	16,055,894	31,324,166	-

BH LIVE

(A company limited by guarantee)

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

7. Direct costs

	Arts & Recreation & Culture 2021 £	Sport, Recreation & Leisure 2021 £	Total 2021 £	Total 2020 £
Other costs	651,410	365,181	1,016,591	5,379,708
Amortisation	11,232	-	11,232	3,448
Finance income and expenses	-	19,175	19,175	24,163
Wages and salaries	260,153	1,559,630	1,819,783	9,183,317
National insurance	39,899	150,481	190,380	296,928
Pension cost	70,643	159,864	230,507	178,490
Depreciation	55,094	137,215	192,309	202,218
Total 2021	<u>1,088,431</u>	<u>2,391,546</u>	<u>3,479,977</u>	<u>15,268,272</u>
Total 2020	<u>5,850,855</u>	<u>9,417,417</u>	<u>15,268,272</u>	

8. Support costs

	CJRS 2021 £	Culture & Arts 2021 £	Sport, Recreation & Leisure 2021 £	Total 2021 £	Total 2020 £
Other costs	-	699,353	3,609,015	4,308,368	9,617,326
Amortisation	-	30,334	35,823	66,157	65,267
Wages and salaries	-	1,202,204	1,000,572	2,202,776	4,463,409
National insurance	-	210,195	78,023	288,218	540,691
Pension cost	-	228,371	68,897	297,268	354,314
CJRS staffing costs	7,963,782	-	-	7,963,782	
Depreciation	-	435,138	689,273	1,124,411	1,014,887
Total 2021	<u>7,963,782</u>	<u>2,805,595</u>	<u>5,481,603</u>	<u>16,250,980</u>	<u>16,055,894</u>
Total 2020	<u>-</u>	<u>4,645,325</u>	<u>11,410,569</u>	<u>16,055,894</u>	

BH LIVE

(A company limited by guarantee)

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

9. Governance costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	34,278	34,278	30,025
Auditor's non audit costs	8,279	8,279	6,925
Trustees governance costs	-	-	1,053
Total	42,557	42,557	38,003

10. Analysis of expenditure by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading	282,551	-	596,675	879,226	5,460,565
Costs of raising funds	282,551	-	596,675	879,226	5,460,565
Culture & Arts	2,011,464	490,232	1,392,330	3,894,026	10,496,180
Sport, Recreation & Leisure	3,017,468	826,488	4,029,193	7,873,149	20,827,986
CJRS staffing costs	7,963,782	-	-	7,963,782	-
Charitable activities	12,992,714	1,316,720	5,421,523	19,730,957	31,324,166
Expenditure on governance	-	-	42,557	42,557	38,003
Total 2021	13,275,265	1,316,720	6,060,755	20,652,740	36,822,734
Total 2020	16,859,194	1,217,105	18,746,435	36,822,734	

11. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	1,316,720	1,217,105
Amortisation of intangible fixed assets	77,389	68,715
Auditors' remuneration - audit	34,278	30,025
Auditors' remuneration - other services	8,279	6,925

2 Trustees received reimbursement of expenses amounting to £nil in the current year, (2020 - 2 Trustees - £1,053).

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

12. Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	4,268,918	15,216,696
Social security costs	495,398	980,772
Other pension costs	547,166	661,726
CJRS staffing costs	7,963,782	-
	<u>13,275,265</u>	<u>16,859,194</u>

The average monthly number of employees was 1,517 (2020: 1,694) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2021 No.	2020 No.
Corporate	27	33
Sport, Recreation & Leisure	218	358
Culture & Arts	118	267
	<u>363</u>	<u>658</u>

The number of higher paid employees was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	0	2
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	0	1
In the band £140,001 - £150,000	1	0
In the band £160,001 - £170,000	0	1

The key management personnel of the charity comprise of the Trustees and the Senior Leadership Team (SLT). The SLT includes the Chief Executive, Director of Finance and Support Services and the Heads of Department for each of the commercial, operational and support areas of the company. The total employee costs for these personnel were £665,731 (2020: £879,156). The Trustees receive no remuneration in their capacity as Trustees.

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

13. Intangible fixed assets

Group and Company	Software £
Cost	
At 1 April 2020	819,983
Additions	-
At 31 March 2021	819,983
Amortisation	
At 1 April 2020	509,630
Charge for the year	77,389
At 31 March 2021	587,019
Carrying amount	
At 31 March 2021	232,964
At 31 March 2020	310,353

14. Tangible fixed assets

Group and Company	Long term leasehold improvements £	Catering equipment £	Gym equipment £	Fixtures & fittings £
Cost				
At 1 April 2020	1,287,434	576,018	2,471,199	7,859,812
Additions	-	-	-	-
Disposals	-	(20,249)	-	(36,150)
At 31 March 2021	1,287,434	555,767	2,471,200	7,823,662
Depreciation				
At 1 April 2020	246,356	369,389	1,033,266	3,145,442
Charge for the year	65,224	82,004	239,939	929,553
On disposals	-	(7,906)	-	(10,993)
At 31 March 2021	311,580	443,487	1,273,205	4,064,002
Net book value				
At 31 March 2021	975,854	112,280	1,197,995	3,759,662
At 31 March 2020	1,041,078	206,629	1,437,934	4,714,370

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

Group and Company	Total £
Cost	
At 1 April 2020	12,194,463
Additions	-
Disposals	<u>(56,399)</u>
At 31 March 2021	<u>12,138,063</u>
Depreciation	
At 1 April 2020	4,794,452
Charge for the year	1,316,720
On disposals	<u>(18,900)</u>
At 31 March 2021	<u>6,092,272</u>
Net book value	
At 31 March 2021	<u>6,045,791</u>
At 31 March 2020	<u>7,400,011</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group and Company	2021 £	2020 £
Gym equipment	907,350	1,082,494
WIFI & networking equipment	118,807	151,963
	<u>1,026,157</u>	<u>1,234,457</u>

15. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 April 2020 and 31 March 2021	<u>1</u>

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

16. Stocks

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Finished goods and goods for resale	82,140	203,065	79,650	150,571

17. Debtors

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Due within one year				
Trade debtors	1,562,625	2,071,211	1,441,252	1,480,096
Other debtors	281,502	137,135	281,502	137,135
Prepayments and accrued income	2,481,487	1,024,119	2,457,653	1,018,781
	4,325,614	3,232,465	4,180,407	2,636,012

18. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Other loans	20,000	80,000	20,000	80,000
Net obligations under finance leases	192,618	254,075	192,618	254,075
Trade creditors	1,846,413	3,473,773	1,841,597	3,130,951
Amounts owed to subsidiary	-	-	953,274	66,810
Corporation tax	-	464	-	-
Other taxation and social security	291,834	474,171	291,834	474,171
Wages creditors	217,381	414,712	217,381	414,712
Accruals and deferred income	6,229,755	3,453,587	5,437,996	2,342,623
	8,798,001	8,150,782	8,954,700	6,763,342

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

19. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Other loans	5,000,000	20,000	5,000,000	20,000
Net obligations under finance leases	144,317	336,935	144,317	336,935
Other creditors	1,591,201	4,466,250	1,466,137	4,156,567
	<u>6,735,518</u>	<u>4,823,185</u>	<u>6,610,454</u>	<u>4,513,502</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Between one and two years				
Other loans	<u>186,667</u>	<u>20,000</u>	<u>186,667</u>	<u>20,000</u>
Between two and five years				
Other loans	<u>4,833,333</u>	<u>-</u>	<u>4,833,333</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Between one and five years	<u>144,317</u>	<u>336,935</u>	<u>144,317</u>	<u>336,935</u>

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

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
General funds	2,363,783	18,183,406	(20,652,692)	(101)	(105,604)
Restricted funds					
Bournemouth schools swimming project	1,883	-	-	-	1,883
Aiming high project	9,195	-	-	-	9,195
Sponsor a seat	1,476	-	-	-	1,476
Pavilion restoration fund	34,692	2,926	-	-	37,618
We all live in Kinson	5,733	-	(48)	-	5,685
Community boxing	349	-	-	-	349
Boscombe men project	(41)	-	-	41	-
Disability tennis network funding	(59)	-	-	59	-
Pavilion outreach fund	11,388	-	-	-	11,388
Arts & Culture donations	839	9,947	-	-	10,786
Children In Need	6,364	6,800	-	-	13,164
Run together	250	-	-	-	250
Stroke and Parkinson's exercise referral	610	-	-	-	610
Toyota Parasport Fund	-	3,200	-	-	3,200
Investing in Communities	-	10,000	-	-	10,000
	72,679	32,873	(48)	101	105,605
Total of funds	2,436,462	18,216,279	(20,652,740)	-	1

The charitable company's deficit for the period amounted to £1,985,238 (2020: £1,131,996).

Restricted revenue funds

Bournemouth schools swimming project - Initiative to increase participation of pupils swimming as part of national curriculum.

Aiming high project - Initiative for disabled children to receive swimming lessons and their families to receive respite as part of government transformation programme.

Sponsor a seat - Scheme to enable patrons, businesses and organisations to make donations for the refurbishment of theatre seating at the Pavilion.

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

20. Statement of funds (continued)

Pavilion restoration fund - Scheme to enable customers to make donations to be used for the purpose of restoration of the Pavilion Theatre.

We all live in Kinson - A project to engage 200 inactive people living in a deprived ward in Bournemouth by providing weekly coach led walk/jog/run sessions and community based exercise classes.

Community boxing - A 12 week course for disengaged, inactive 10 - 16 year olds to learn basic boxing skills through coach-led training, practise and drills, and social skills of respect, team work and control.

Boscombe men project - Project will provide low/zero cost community-based weekly activity sessions for men in Boscombe who are socially disengaged, and have a mental health issue, and/or are struggling with addiction or substance misuse.

Disability tennis network funding - An initiative to increase disability tennis participation in Portsmouth.

Pavilion outreach fund - A fund to carry out valuable outreach work to communities in any catchment area we serve, with a particular emphasis on deprived and disadvantaged families residing in these areas. The focus is to deliver free cultural experiences to those who normally couldn't access such opportunities.

Arts & Culture donations - During the COVID-19 pandemic, we're calling on our loyal customers to support our mission to keep culture alive whilst at the same time supporting local food banks in Bournemouth and Croydon by donating 50% of all monies raised between them.

Children in Need - This project will provide a holiday club for children and young people with Autism. Young people will increase their independence, improve their physical health and make new friends.

Run together - Provide a beginners' course for 12-25 year olds using the Run Together App and online platform.

Stroke and Parkinson's exercise referral - To generate funding to provide the Stroke & Parkinson's Exercise Referral scheme for participants and their families.

Toyota Parasport Fund - This project aims to increase Special educational needs and disabled individuals in sport by offering catered sessions and specialist equipment designed for those with disabilities. There will be 3 sessions held: for ages 6-10, 11-15 and 16+. The sessions will focus on skill, badges and competitive opportunities.

Investing in Communities - This project will support groups across Hampshire and the Isle of Wight in the wake of COVID-19 by aiming to reduce widening inequalities in physical activity and sport.

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

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Taxation £	Balance at 31 March 2020 £
General funds	2,986,731	36,183,267	(36,805,750)	(465)	2,363,783
Restricted funds					
Bournemouth schools swimming project	2,035	-	(152)	-	1,883
Aiming high project	9,412	-	(217)	-	9,195
Sponsor a seat	1,326	150	-	-	1,476
Pavilion restoration fund	26,256	8,436	-	-	34,692
We all live in Kinson	8,673	851	(3,791)	-	5,733
Community boxing	349	-	-	-	349
Boscombe men project	1,759	-	(1,800)	-	(41)
Disability tennis network funding	3,008	3,245	(6,312)	-	(59)
Pavilion outreach fund	7,158	4,230	-	-	11,388
Arts & Culture donations	-	839	-	-	839
Children in Need	-	6,800	(436)	-	6,364
Nordic walking	-	4,276	(4,276)	-	-
Run together	-	250	-	-	250
Stroke and Parkinson's exercise referral	-	610	-	-	610
	59,976	29,687	(16,984)	-	72,679
Total of funds	3,046,707	36,212,954	(36,822,734)	(465)	2,436,462

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General funds	2,363,783	18,183,406	(20,652,692)	(101)	(105,604)
Restricted funds	72,679	32,873	(48)	101	105,605
Total of funds	2,436,462	18,216,279	(20,652,740)	-	1

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Taxation £	Balance at 31 March 2020 £
General funds	2,986,731	36,183,267	(36,805,750)	(465)	2,363,783
Restricted funds	59,976	29,687	(16,984)	-	72,679
Total of funds	3,046,707	36,212,954	(36,822,734)	(465)	2,436,462

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	-	232,964	232,964
Tangible fixed assets	-	6,045,791	6,045,791
Current assets	105,605	9,149,160	9,254,765
Creditors due within one year	-	(8,798,001)	(8,798,001)
Creditors due in more than one year	-	(6,735,518)	(6,735,518)
Total	105,605	(105,604)	1

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Intangible fixed assets	-	310,353	310,353
Tangible fixed assets	-	7,400,011	7,400,011
Current assets	72,679	7,627,384	7,700,063
Creditors due within one year	-	(8,150,780)	(8,150,780)
Creditors due in more than one year	-	(4,823,185)	(4,823,185)
Total	72,679	2,363,783	2,436,462

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

	Group	
	2021	2020
Net expenditure for the year (as per Statement of Financial Activities)	(2,436,461)	(610,245)
Adjustment for:		
Depreciation charges	1,316,720	1,217,105
Finance charges	17,450	27,463
Amortisation	77,389	68,715
Loss on the sale of fixed assets	-	1,082
(Increase)/decrease in stocks	120,926	(53,795)
(Increase)/decrease in debtors	(1,093,149)	(956,023)
Increase/(decrease) in creditors	(2,106,365)	3,579,423
Interest received	-	(5,335)
Net cash provided by operating activities	(4,103,490)	3,268,390

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

23. Analysis of cash and cash equivalents

	Group	
	2021	2020
	£	£
Cash in hand	60,499	11,649
Bank accounts	4,786,512	4,252,886
Total	4,847,011	4,264,535

24. Contingent liabilities

The bank has provided a guarantee on behalf of the charity amounting to £18,900 (2020: £18,900) in favour of Hampshire Pension Fund.

25. Pension commitments

The Charity participates in a closed Local Government Pension Scheme, a Scheme which is administered locally by Dorset County Pension Fund. Under the transfer agreement with BCP Council (previously Bournemouth Borough Council), they are responsible for all past pension liabilities of the scheme. Accordingly, there are no disclosures within the Charity accounts in relation to FRS102 Section 28 "Employee Benefits". The pension cost charge represents contributions payable by the group to the fund and amounted to £265,841 (2020: £281,538). Contributions totalling £19,512 (2020: £25,160) were payable to the fund at the balance sheet date and are included in creditors.

During the prior year the Charity also commenced participation in another closed Local Government Pension Scheme, this scheme is administered by Hampshire Pension Services. The pension cost charge represents contributions payable directly by the Charity to the fund and these amounted to £9,209 (2020: £9,997). Contributions totalling £768 (2020: £833) were payable to the fund at the balance sheet date and are included in creditors.

The Charity also operates an open Defined Contribution pension scheme which is managed by TPT Retirement Solutions (formerly The Pensions Trust). The pension cost charge represents contributions payable by the group to the fund and amounted to £310,249 (2020: £378,300). Contributions totalling £20,199 (2020: £33,160) were payable to the fund at the balance sheet date and are included in creditors.

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

26. Operating lease commitments

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

Group and Company	Land and buildings		Equipment	
	2021 £	2020 £	2021 £	2020 £
Amounts due:				
Within 1 year	339,093	303,447	11,496	12,845
Between 1 and 5 years	1,413,788	1,401,288	16,312	27,023
After more than 5 years	4,523,690	4,877,137	-	-
Total	6,276,571	6,581,872	27,807	39,868

27. Indemnity Insurance

Indemnity insurance has been taken out giving £5 million of cover at a cost £3,646 (2020: £3,646).

28. Related party transactions

The subsidiary company gift aids its surplus profits to the charity parent. The gross amount receivable for the year amounted to £686,067 (2020: £164,312).

At the end of the year, the parent charity owed the subsidiary £953,274 (2020: £66,810). During the year, the parent charity apportioned £523,018 (2020: £1,422,633) of costs, by way of recharges to its subsidiary.

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

29. Principal subsidiaries

BH Live Enterprises Limited

Subsidiary name	BH Live Enterprises Limited
Company registration number	07175626
Company registered office	Bournemouth International Centre, Exeter Road, Bournemouth, Dorset, BH2 5BH
Equity shareholding %	100%
Total assets as at 31 March 2021	£1,156,479
Total liabilities as at 31 March 2021	(£921,640)
Total equity as at 31 March 2021	£1
Turnover for the year ended 31 March 2021	£1,125,668
Expenditure for the year ended 31 March 2021	(£890,830)
Profit for the year ended 31 March 2021	£234,838

30. Controlling party

The company is controlled by its trustees acting in accordance with the terms of the memorandum and articles of association.