

CLARETS IN THE COMMUNITY LIMITED
(a company limited by guarantee)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020
Company Number: 08615704
Registered Charity Number: 1155856

CLARETS IN THE COMMUNITY LIMITED
(a company limited by guarantee)

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CLARETS IN THE COMMUNITY LIMITED
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DIRECTORS AND OFFICERS

Directors

P A S Wilson
B T Nelson (Chair)
B C Kilby
R H J Sutton
A Rushton
A N Allen
D M Lawson
L Patel
H Al-Kailani
R Webb (*appointed 25 February 2020*)
M L Garlick (*appointed 11 January 2021*)

The directors are also classed as Trustees for the purposes of the Charity Commission.

Chief Executive Officer

Dr S J Ward

Registered office

Turf Moor
Harry Potts Way
Burnley
Lancashire
BB10 4BX

Company number

08615704

Registered charity number

1155856

Independent Auditors

Azets Audit Services
St Crispin House
St Crispin Way
Rossendale
Haslingden
Lancashire
BB4 4PW

Bankers

Barclays Bank plc
72/78 St James Street
Burnley
Lancashire
BB11 1NH

CLARETS IN THE COMMUNITY LIMITED
(a company limited by guarantee)
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

The directors present their report and the audited financial statements of the group for the year ended 30 June 2020.

Structure, Governance and Management

The company is registered as a charity (number: 1155856) with the Charity Commission.

The charity is constituted as a company limited by guarantee (number: 08615704) and is governed by its Articles of Association.

The charity operates under its working name of 'Burnley FC in the Community'.

The charity either advertises for new directors, or approaches individuals with the appropriate skills and/or experience to contribute to the management of the organisation. All directors are appointed following a formal recruitment process and attend a comprehensive induction programme.

New directors undergo training on their legal obligations under charity and company law; the content of the Memorandum and Articles of Association; the committee and decision-making process; the business plan and recent financial performance of the charity. During the induction training programme, new directors learn about the organisation's purpose, history, aims and objectives, services, staff and volunteers, facilities, security, funding, residents' participation, strategic work, multi-agency involvement and partnership involvement. They also meet key staff personnel to learn about their work roles.

The directors are all volunteers and do not receive any remuneration for their services.

The remuneration of the charity's key management personnel is set by annual review and confirmed by the directors.

The Burnley Football & Athletic Company Limited ('BFC') is a related party. Related party transactions between the charity and BFC are disclosed in the notes to the financial statements.

The charity continues to control its wholly-owned trading subsidiary, BFCitC Facilities (Enterprises) Ltd. - a company limited by shares (number: 10951684) - which has been assigned to manage, operate and refurbish both the Whitehough Outdoor Centre in the Borough of Pendle and the Leisure Box (also in the Borough of Pendle).

Public benefit

The directors have had regard to the Charity Commission's guidance on public benefits in carrying out the activities of the charity.

Objectives and Activities

Burnley FC in the Community is a self-financing registered charity with a mission to inspire, support and deliver positive change for all. This is achieved through the delivery of 10 community objectives:

1. To engage with our community to raise aspirations.
2. To support our community to live healthy lives.
3. To create a level playing field for all to engage in sport and physical activity.
4. To ensure we are a needs-led charity, focusing on addressing the root cause of social issues.
5. To support and inspire children and young people to reach their full potential.
6. To harness the unique standing of Burnley Football Club to deliver lasting change in the local community and overseas.
7. To empower our employees, partners and participants to champion equality and inclusion.

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8. To ensure we are a partnership-based organisation which prides itself on forming long-term, mutually beneficial partnerships with like-minded organisations.
9. To embed ourselves in communities for the long term by working with partners to develop and operate outstanding community facilities.
10. To ensure we always deliver high-quality, impactful projects through a strong foundation of staff, CPD, organisational policies and governance procedures.

Burnley FC in the Community is committed to developing a range of community-based projects across the boroughs of Burnley, Pendle, Rossendale, Ribble Valley and Calderdale.

The charity has ten core values which are the ideals it strives to achieve every day in the delivery of its activities and charitable work: *Boldness; Resilience; Passion; Integrity; Pioneering; Inclusivity; Reflective; Innovative; Collaborative; and Caring.*

The charity delivered a wide range of community projects during the 2019-20 financial year including:

- Premier League Primary Stars
- Premier League Kicks
- Premier League Inspires
- Female Football
- Disability Sport
- Schools Sport
- Football Coaching
- National Citizen Service
- Youth Crime Reduction
- Clarets Welcome – Refugees Project
- Veterans Programme
- Active Clarets – Health and Wellbeing Programmes
- Mental Wellbeing Programme
- Achieving Moor (Intervention Project)
- Get Outdoors Project (at Whitehough Outdoor Centre)

Achievements and Performance

This financial year represents the charity's sixth full year of operations. During the year, the charity engaged with over 24,000 individuals, delivering over 50 community projects in Burnley and the wider region.

During the first half of the year the charity has seen further increase of investment into many areas of its work, however the impact of Covid19 on the charity was swift and severe. Lockdown meant that the vast majority of our programmes ceased in their usual format immediately, and we moved to support our participants virtually where possible.

The most severe impact of Covid19 was the immediate closure of our two facilities, the Leisure Box and Whitehough, with an immediate drop in income from both facilities to zero. At the same time, we experienced a significant increase in demand for our foodbank, the Burnley Community Kitchen and swiftly changed our operating model to delivery only. We worked in partnership with several organisations in the area as part of BurnleyTogether to ensure that we were able to support the most vulnerable in the town.

The Charity was grateful for the support of funding partners and the government furlough scheme, which enabled the charity to navigate this difficult period.

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YEAR ENDED 30 JUNE 2020

At the year end, the charity employed 63 full time staff and 17 part time staff and has further established a strong team of coaches, teachers, mentors, administrators, managers and other skilled practitioners to develop the work of the charity further.

Financial Review

A summary of the financial performance for the year ended 30 June 2020 can be found in the Consolidated Statement Of Financial Activities (Page 13) and a summary of the financial position as at 30 June 2020 can be found in the Consolidated Balance Sheet (Page 14).

- Consolidated income generated for the financial year was £3,968,223.
- The income generated has increased by £254,916, mostly due to the Leisure Box Project.
- The fixed assets balance has increased by £410,169 to £1,937,296 over the reporting period, mostly due to the completion of the Leisure Box.
- Cash and cash equivalents have increased by £136,494 over the reporting period, primarily due to reduced spend on fixed assets.

Fundraising

The charity undertakes some fundraising activity in the form of fundraising events, the purpose of which is to generate some unrestricted income for the charity. Any incoming resources from fundraising are recognised in the Consolidated Statement of Financial Activities once the charity is entitled to the fundraising income and provided that the income has been reliably measured.

The main fundraising event held during the year was:

- Turf Sleepout

A number of fundraising events were cancelled in light of lockdown and the inability to meet face to face and so help a number of online fundraising initiatives were launched to raise vital funds for the Charity. This included an online memorabilia auction and sponsored run.

The charity did not approach the general public with regards to fundraising in an unsolicited manner and does not intend to do so in future years.

The charity did not receive any complaints during the year about its fundraising activities.

In addition to the unrestricted funds and donations received, the charity is grateful to the following funders and donors who has supported us by way of restricted grants and donations during the year which have been used to directly deliver provision and services:

- Premier League Charitable Fund
- The Football Foundation
- Integrated Communities Innovation Fund
- The Armed Forces Covenant Fund Trust
- Lancashire County Council
- Lancashire Care Foundation Trust
- BBC Children in Need
- The Masonic Charitable Fund
- Burnley Borough Council
- East Lancashire Clinical Commissioning Group
- Charles Hayward Foundation
- The Duchy of Lancaster Benevolent Fund
- Lancashire Environmental Fund
- Groundwork UK
- Cash for Kids
- Community Foundation for Lancashire

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DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

Investment Policies

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the directors see fit and as necessary for carrying out the charitable activities.

During 2019-20, the charity invested in a further 800,000 shares (at £1 each) in its trading subsidiary, BFCitC Facilities (Enterprises) Ltd.

In addition, under the Memorandum and Articles of Association, the charity may set aside income as a reserve against future expenditure, but only in accordance with its Reserves Policy.

Risk Management

The directors are aware of their responsibilities to identify, assess and manage the major risks to which the charity is exposed.

During the year, the charity has furthered its work on risk management making all its staff and volunteers risk aware. All staff and volunteers continue to have a good understanding of their day to day responsibilities in managing risk.

The charity maintains its 'three lines of defence' model to help with the management of risk. The 'three lines of defence' are three sets of people who collaborate to manage risk. A person may belong to more than one set; however, each set as a whole maintains a degree of independence from the preceding set, and each set is proactive and does not wait for the preceding set to 'fail':

1. The first 'line of defence', consists of all staff and volunteers.
2. The second 'line of defence' consists of all management colleagues.
3. The third 'line of defence' consists of the Chief Executive Officer and the directors.

The charity holds a Principal Risk Inventory, on which all identified risks are categorised and logged. Each risk is given a severity rating and a likelihood rating and is mapped to a series of controls, in place to mitigate said risks.

Conversely, the charity has also a Principal Controls Inventory, which lists all controls and maps them to one or more risks as appropriate. Where there is a control which maps to more than one risk, the charity calls this a key control.

The processes in place to identify, log and manage risk are reviewed annually.

The main risks currently identified relate to: reserves and liquidity management; facilities risk; turnover of staff; and major incidents which could damage the reputation of the charity.

The Principal Risk Inventory is reviewed and approved on an annual basis and has been reviewed more regularly in light of the risks posed by Covid19.

Reserves Policy

The objective of having unrestricted funds in reserve, is to enable the charity to cope with unplanned events. Very often, the effects of an unplanned event can be managed in the long-term, but the Group needs reserves in the meantime.

The directors are working towards maintaining an overall target level for all reserves which is equivalent to three months net operating costs, where fixed assets are discounted when calculating the level of reserves for the charity. The directors believe this level of reserves will mitigate against the risk that some income is more volatile in nature to ensure that the charity's obligations can always be met.

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The directors must monitor and review the level of reserves annually, in line with the guidance issued by the Charity Commission; however, the level of reserves is monitored throughout the year as part of the normal monitoring and budgetary reporting processes. The level of reserves is always discussed by the directors at their quarterly governance meeting during the Finance agenda item.

The directors acknowledge that the level of reserves for the charity changes during the year and could either be a good indicator of the underlying financial health of the charity; or could be an indicator of potential problems.

The directors acknowledge that reserve levels during 2019-20 have not been as expected, due to the financial impact of Covid19. Execution of plans to improve these levels are well underway.

Over the medium to longer term, in the event that the charity builds significant reserves, the directors must:

- Identify when reserves are drawn on so that they understand the reasons and can consider the corrective action, if any, that needs to be taken.
- Identify when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any, that needs to be taken.
- Ensure that the Reserves Policy continues to be relevant as the charity develops or if the strategy and activities of the charity changes.

Plans for future periods

The charity has a three-year business plan which is reviewed and updated annually, in order to achieve its objectives. During 2020-21, the charity will implement its Covid recovery plan which is fundamental to the business model moving forward.

The charity will also undergo a period of consolidation during 2020-21 and look to improve and enhance existing provision. The charity will continue to meet and further develop existing public, private and voluntary sector partnerships.

The charity will look to enhance and further promote fundraising initiatives, so to increase its reserve levels.

Going concern

At the time of approving the annual report and financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Directors

The directors who served the company during the year were as follows:

P A S Wilson
B T Nelson (Chair)
B C Kilby
R H J Sutton
A Rushton
A N Allen
D M Lawson
L Patel
H Al-Kailani
R Webb (*appointed 25 February 2020*)

CLARETS IN THE COMMUNITY LIMITED
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DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

Disclosure of information to the Independent Auditors

Each director has taken steps that they ought to have taken as a director, in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of Independent Auditors

The auditors, Azets Audit Services (previously trading as Baldwins Audit Services), are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Liability of members

The liability of each member by way of their guarantee to the company is to contribute a sum not exceeding ten pounds to the assets of the company, if so required on the winding up of the company.

Approved by the Board on:
and signed on its behalf by:

BRIAN NELSON

05 MAR 2021



B T Nelson
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES - YEAR ENDED 30 JUNE 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors 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 company and of the income and expenditure account for that period. In preparing these financial statements, the directors are required to:

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLARETS IN THE COMMUNITY LIMITED
YEAR ENDED 30 JUNE 2020**

Opinion

We have audited the financial statements of Clarets In the Community Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group 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 the parent company's affairs as at 30 June 2020 and of the group's profit 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

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

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

Other Information

The directors 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLARETS IN THE COMMUNITY LIMITED
YEAR ENDED 30 JUNE 2020**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 company'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 either intend to liquidate the group or the parent 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 expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://J/vonw.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLARETS IN THE COMMUNITY LIMITED
YEAR ENDED 30 JUNE 2020

Azets Audit Services

18th March 2021.

Mr Nicholas Stockton (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Charter Accountants
Statutory Auditor

St Crispin House
St Crispin Way
Haslingden
Rossendale
Lancashire
BB4 4PW

CLARETS IN THE COMMUNITY LIMITED
CONSOLOIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2020

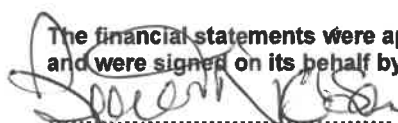
		2020	2020	2020	2020	2019
		Unrestricted	Restricted	Restricted	Total	Total
	Note	£	£	Capital	£	£
				£		
Incoming resources						
Income and endowments from:						
Donations and legacies	2	234,512	66,200	509,878	810,590	1,101,012
Charitable activities	2	785,020	1,845,496	-	2,630,516	2,278,107
Other trading activities		332,140	-	-	332,140	333,917
Investments		312	-	-	312	271
Other income		194,666	-	-	194,666	
Total		<u>1,546,650</u>	<u>1,911,696</u>	<u>509,878</u>	<u>3,968,224</u>	<u>3,713,307</u>
Resources expended						
Expenditure on:						
Raising funds		54,214	-	-	54,214	214,705
Charitable activities	3	1,264,792	2,004,383	91,197	3,360,372	2,891,980
Other		1,513	-	-	1,513	6,480
Total		<u>1,320,519</u>	<u>2,004,383</u>	<u>91,197</u>	<u>3,416,099</u>	<u>3,113,165</u>
Net income for the year	4	<u>226,131</u>	<u>(92,687)</u>	<u>418,681</u>	<u>552,125</u>	<u>600,142</u>
Transfers between funds		(121,156)	121,156	-	-	-
Net movement in funds		<u>104,975</u>	<u>28,469</u>	<u>418,681</u>	<u>552,125</u>	<u>600,142</u>
Reconciliation of funds:						
Total funds brought forward		<u>102,284</u>	<u>36,843</u>	<u>1,119,743</u>	<u>1,258,870</u>	<u>658,728</u>
Total funds carried forward		<u>207,259</u>	<u>65,312</u>	<u>1,538,424</u>	<u>1,810,995</u>	<u>1,258,870</u>

All amounts relate to continuing activities. All recognised gains and losses are included in the Consolidated Statement of Financial Activities.

CLARETS IN THE COMMUNITY LIMITED
CONSOLOIDATED BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		1,937,296		1,527,127
Current assets					
Debtors	10	76,091		209,016	
Cash at bank and in hand		238,860		102,366	
		<u>314,951</u>		<u>311,382</u>	
Creditors: amounts falling due within one year	11	<u>(435,976)</u>		<u>(570,142)</u>	
Net current assets			<u>(121,025)</u>		<u>(258,760)</u>
Total assets less current liabilities			1,816,271		1,268,367
Creditors: amounts falling due after more than one year	12		<u>(5,276)</u>		<u>(9,497)</u>
Net assets			<u>1,810,995</u>		<u>1,258,870</u>
Financed by:					
Unrestricted funds	14		207,259		102,284
Restricted funds	14		65,312		36,843
Restricted Capital funds	14		1,538,424		1,119,743
			<u>1,810,995</u>		<u>1,258,870</u>

The financial statements were approved by the Board of Trustees on 05/03/2021
and were signed on its behalf by:



B T Nelson
Director

CLARETS IN THE COMMUNITY LIMITED
CHARITY ONLY BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		358,178		385,867
Investments	9		<u>2,040,001</u>		<u>1,240,001</u>
			<u>2,398,179</u>		<u>1,625,868</u>
Current assets					
Debtors	10	158,295		224,547	
Cash at bank and in hand		<u>235,920</u>		<u>90,104</u>	
		<u>394,215</u>		<u>314,651</u>	
Creditors: amounts falling due within one year	11				
		<u>(412,818)</u>		<u>(448,625)</u>	
Net current assets			<u>(18,603)</u>		<u>(133,974)</u>
Net assets			<u>2,359,576</u>		<u>1,491,894</u>
Financed by:					
Unrestricted funds	14		774,328		389,750
Restricted funds	14		-		1,550
Restricted Capital funds	14		1,605,248		1,100,594
			<u>2,379,576</u>		<u>1,491,894</u>

The financial statements were approved by the Board of Trustees on 05/03/2021
and were signed on its behalf by:



B T Nelson
Director

CLARETS IN THE COMMUNITY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	707,309	1,014,408
Interest received		(312)	(271)
Interest paid		6,342	2,079
Net cash provided by / (used in) operating activities		<u>713,339</u>	<u>1,016,216</u>
 Cash flows from investing activities:			
Purchase of property, plant and equipment		(576,845)	(1,115,638)
Net cash provided by / (used in) investing activities		<u>(576,845)</u>	<u>(1,115,638)</u>
 Change in cash and cash equivalents in the reporting period		136,494	(99,422)
 Cash and cash equivalents at the beginning of the reporting period		<u>102,366</u>	<u>201,788</u>
 Cash and cash equivalents at the end of the reporting period	2	<u><u>238,860</u></u>	<u><u>102,366</u></u>

CLARETS IN THE COMMUNITY LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

1. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the Consolidated Statement Of Financial Activities)	552,125	600,142
Adjustments for:		
Depreciation charges	166,676	95,487
Interest received	312	271
Interest paid	(6,342)	(2,079)
Decrease / (increase) in debtors	132,925	(45,065)
(Decrease) / increase in creditors	(138,387)	365,654
Cash generated from operations	<u>707,309</u>	<u>1,014,408</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	238,860	102,366
Total cash and cash equivalents	<u>238,860</u>	<u>102,366</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2019	Cashflows	At 30 June 2020
Cash	102,366	136,494	238,860
Finance lease obligations	(20,296)	10,447	9,849
Total	82,070	146,941	229,011

CLARETS IN THE COMMUNITY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. Accounting Policies

1.1 Basis of preparation

The financial statements of the charitable organisation, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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))', and the Companies Act 2006.

1.2 Basis of consolidation

The charity has a subsidiary undertaking. The subsidiary was incorporated on 7 September 2017 and is wholly owned by the charity.

The consolidated financial statements incorporate the results of Clarets in the Community Limited and its subsidiary undertakings on a line by line basis. The consolidated entity is referred to as the 'Group'. The subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The results of any subsidiaries acquired during the year are included in the Consolidated Statement Of Financial Activities from the effective date of acquisition. Where necessary, adjustments are made to the Consolidated Statement Of Financial Activities to bring their accounting policies into line with those used by the Group.

Intercompany transactions and balances between the company and its subsidiary, which is a related party, are eliminated in full. There have been no intercompany gains on transactions or losses.

1.3 Summary of disclosure exemptions

As permitted by Section 408 of the Companies Act 2006, a separate Statement Of Financial Activities dealing with the results of the charitable company only, has not been presented. The total income of the charitable company for the year was £3,584,207 (2019: £3,486,425). The net movement in funds of the charitable company only was £887,682 (2019: £773,249).

The charity has taken advantage of the exemption set out in FRS 102; Section 33, not to disclose any transactions between itself and its subsidiary undertaking.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Since the year end, the spread of COVID-19 has continued to severely impacted many economies around the globe. The charity operates within a sector where measures taken based upon Government advice to contain the spread of the virus, including social distancing, mean that operations may be affected beyond the initial period of lockdown. The charity has reduced costs and taken advantage of available incentives to manage the financial impact of the pandemic.

The directors have considered the financial stability of the charity for a period of at least 12 months from the date of signing these financial statements. They have assessed financial performance and ensured that the company has sufficient finance available to maintain its cashflow during this period.

Although there is a degree of uncertainty around the wider economic outlook, the directors do not consider there is a material uncertainty over going concern.

1.5 Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the company.

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Restricted funds are subject to specific restricted conditions imposed by the donors or by the purpose of the grant. The purpose and use of restricted funds (when applicable) is set out in the notes to the financial statements.

Capital funds are those restricted funds having specific conditions relating to capital expenditure.

1.6 Incoming resources

All incoming resources are included in the Consolidated Statement Of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants, where entitlement is not conditional on the delivery of a specific performance by the company, are recognised when the company becomes unconditionally entitled to the grant. Grants, where related to performance and specific deliverances are accounted for as the company earns the right to consideration by its performance.

1.7 Fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Depreciation is charged so as to write off the cost of assets, other than leasehold property improvements over their estimated useful economic lives, as follows:

Leasehold and property improvements	2% per annum straight line
Play, climbing or other equipment	5%, 8% or 10% per annum straight line
Office, kitchen and computer equipment	20% per annum straight line
Outdoor equipment	20% per annum straight line
Motor vehicles	25% per annum straight line

The cost of tangible assets includes directly attributable incremental costs incurred at their acquisition and installation.

The company capitalises assets donated in-kind, unless the value of donated goods cannot be reliably measured.

1.8 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably.

Resources expended are included in the Consolidated Statement Of Financial Activities on an accrued basis.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, such as support costs, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

1.9 Significant judgements and estimates

The preparation of financial statements requires management to make significant judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The main area of judgement that has the most significant effect on the amounts recognised in the financial statements is in relation to the recognition of funding from the Premier League Charitable Fund.

CLARETS IN THE COMMUNITY LIMITED
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1.10 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Hire purchasing and leasing

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership have passed to the company are capitalised in the consolidated balance sheet as tangible fixed assets and depreciated over the shorter of the assets held under finance leases, which are leases where substantially all the risks and rewards of ownership have passed to the company are capitalised in the consolidated balance sheet as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the consolidated balance sheet. The interest element of the rental obligation is charge to the consolidated income statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included with creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

1.12 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, loans to fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

CLARETS IN THE COMMUNITY LIMITED
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Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Incoming resources

	2020	2020	2020	2020
	Unrestricted	Restricted	Restricted	Total
	£	Other	Capital	£
		£	£	
Donations and legacies				
Grants received	25,000	40,000	412,093	477,093
Donations	209,512	26,200	97,785	333,497
	<u>234,512</u>	<u>66,200</u>	<u>509,878</u>	<u>810,590</u>
Charitable activities				
Projects, courses, facilities and match day income	<u>785,020</u>	<u>1,845,496</u>	<u>-</u>	<u>2,630,516</u>
	2019	2019	2019	2019
	Unrestricted	Restricted	Restricted	Total
	£	Other	Capital	£
		£	£	
Donations and legacies				
Grants received	100,000	75,000	867,721	1,042,721
Donations	50,556	7,735	-	58,291
	<u>150,556</u>	<u>82,735</u>	<u>867,721</u>	<u>1,101,012</u>
Charitable activities				
Projects, courses, facilities and match day income	<u>522,505</u>	<u>1,728,841</u>	<u>26,761</u>	<u>2,278,107</u>
Other trading activities				
All such income relates to unrestricted funds.				

3. Expenditure on charitable activities

	2020	2020	2020	2020
	Unrestricted	Restricted	Restricted	Total
	£	Other	Capital	£
		£	£	
Direct costs - projects, courses, including				
specific employee costs	273,693	1,471,067	-	1,744,760
Other employee costs	257,361	420,949	-	678,310
Administrative expenses	33,395	62,020	-	95,415
Bank charges	5,697	645	-	6,342
Depreciation	44,765	30,714	91,197	166,676
Facilities costs	638,674	-	-	638,674
Hire purchase				
interest	1,325	637	-	1,962
VAT - partial exemption restriction	9,882	18,351	-	28,233
	<u>1,264,792</u>	<u>2,004,383</u>	<u>91,197</u>	<u>3,360,372</u>
	2019	2019	2019	2019

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	Unrestricted	Restricted Other	Restricted Capital	Total
	£	£	£	£
Direct costs - projects, courses, including				
specific employee costs	203,776	1,349,161	-	1,552,937
Other employee costs	485,576	374,956	-	860,532
Administrative expenses	45,466	81,773	-	127,239
Bank charges	3,286	4,635	-	7,921
Depreciation	27,007	27,573	40,907	95,487
Facilities costs	183,278		-	183,278
Governance attributed to charitable activities	3,615	8,916	-	12,531
Hire purchase interest	1,374	705	-	2,079
VAT - partial exemption restriction	17,858	32,117	-	49,975
	<u>971,236</u>	<u>1,879,837</u>	<u>40,907</u>	<u>2,891,980</u>

4. Net income for the year is stated after charging:

	2020	2019
	£	£
Depreciation	166,676	95,487
Auditor's remuneration - statutory audit fee	6,500	6,250
Auditor's remuneration - other accountancy services	-	250
Operating lease rentals	<u>95,995</u>	<u>20,210</u>

5. Staff costs

	2020	2019
	£	£
Wages and salaries	2,122,174	1,822,421
Social security costs	151,680	143,281
Defined contribution pension costs	34,845	27,721
Defined benefit pension costs	3,574	3,431
	<u>2,312,273</u>	<u>1,996,854</u>

The additional staff costs in 2020 can be attributed to the operation of the Leisure Box in its first full year of operation after opening for trading in February 2019. There were no Trustees' remuneration or other benefits for the year ended 30 June 2020. There were no Trustees' expenses paid for the year ended 30 June 2020.

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The number of employees whose employee benefits (including national insurance contributions, but excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£110,001 - £120,000	-	1
£70,001 - £80,000	1	-
£60,001 - £70,000	-	1
	<u>-</u>	<u>1</u>

The key management personnel of the charity have been identified as the Chief Executive Officer, Deputy Chief Executive Officer, Head of Finance and Company Secretary. The aggregate employment benefits, including employers national insurance contributions for these key management personnel for the year was £252,558 (2019 - £283,514).

The average number of employees including part time staff (excluding trustees) analysed by function was:

	2020	2019
Delivery of charitable activities	77	91
Management and administration of the charity	15	19
	<u>92</u>	<u>110</u>

In response to the impact of Covid, a restructuring of staff was undertaken during the year to safeguard the long term financial viability of the company. Together with some projects coming to a natural close, this resulted in lower numbers of both delivery staff and those involved in administration and management of the company.

6. Pensions

The charity operates a defined contribution pension scheme which opened to eligible staff in October 2017. The charity also contributes to the Lancashire County Pension Fund as an approved employer in regard to one employee who joined the charity on a TUPE arrangement from Lancashire County Council.

Contributions payable by the charity to these schemes are charged to the Consolidated Statement Of Financial Activities in the period to which they relate. The contributions are split between unrestricted and restricted expenditure in the same ratio as the remaining staffing costs for a given individual.

7. Taxation

As a registered charity, Clarets in the Community Limited is exempt from tax on income and gains falling within sections 471-489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

There is no tax liability arising in the trading subsidiary, BFCitC Facilities (Enterprises) Ltd.

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8. Tangible fixed assets

Group	Leasehold property and improvements £	Motor vehicles £	Office, kitchen and computer equipment £	Play, climbing and other equipment £	Outdoor equipment £	Total £
Cost						
As at 1 st July 2019	840,247	63,423	340,242	424,125	48,833	1,716,870
Additions	134,702		29,630	412,513		576,845
Disposals		(25,233)				(25,233)
As at 30 June 2020	974,949	38,190	369,872	836,638	48,833	2,268,482
Depreciation						
As at 1 July 2019	13,349	50,232	104,232	11,564	10,366	189,743
Charge for the year	19,394	5,863	68,031	63,637	9,751	166,676
Disposals		(25,233)				(25,233)
As at 30 June 2020	32,743	30,862	172,263	75,201	20,117	331,186
Net book value						
As at 30 June 2020	942,206	7,328	197,609	761,437	28,716	1,937,296
As at 30 June 2019	826,898	13,191	236,010	412,561	38,467	1,527,127

Charity only	Leasehold property and improvements £	Motor vehicles £	Office, kitchen and computer equipment £	Play, climbing and other equipment £	Outdoor equipment £	Total £
Cost						
As at 1 July 2019	251,861	39,973	225,401	-	7,914	525,149
Additions	14,185		9,027			23,212
Disposals		(25,233)				(25,233)
As at 30 June 2020	266,046	14,740	234,428	-	7,914	523,127
Depreciation						
As at 1 July 2019	8,041	39,973	89,817	-	1,451	139,282
Charge for the year	5,226		44,092		1,583	50,901
Disposals		(25,233)				(25,233)
As at 30 June 2020	13,267	14,740	133,909	-	3,034	164,950
Net book value						
As at 30 June 2020	252,779	-	100,519	-	4,880	358,178
As at 30 June 2019	243,820	-	135,584	-	6,463	385,867

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Hire purchase and finance lease assets

Included within the net book value of consolidated tangible fixed assets is £7,328 (2019 - £13,191) in respect of assets held under hire purchase or finance lease arrangements. Depreciation for the year on those assets was £5,863 (2019 - £15,856).

Custodian Trusteeship Disclosure

No assets were held as custodian trustee during the reporting period.

9. Fixed asset investments

	Group		Charity only	
	2020	2019	2020	2019
	£	£	£	£
Shares in group undertakings	-	-	2,040,001	1,240,001
	<u>-</u>	<u>-</u>	<u>2,040,001</u>	<u>1,240,001</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings	Total
	£	£
Cost		
As at 1 July 2019	1,240,001	1,240,001
Additions	800,000	800,000
As at 30 June 2020	<u>2,040,001</u>	<u>2,040,001</u>
Net book value		
As at 1 July 2019	1,240,001	1,240,001
As at 30 June 2020	<u>2,040,001</u>	<u>2,040,001</u>

The subsidiary undertaking relates to BFCitC Facilities (Enterprises) Ltd (company number 10951684), the principal activities of which are to operate, manage and refurbish the Whitehough Outdoor Centre and the Leisure Box both in the Borough of Pendle.

CLARETS IN THE COMMUNITY LIMITED
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10. Debtors

	Group		Charity only	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	58,723	103,261	29,982	65,278
Prepayments and accrued income	9,888	100,036	4,500	89,269
Due from group undertakings	-	-	123,813	70,000
Value added tax	7,480	5,719	-	-
	<u>76,091</u>	<u>209,016</u>	<u>158,295</u>	<u>224,547</u>

All debtors fall due within one year of the balance sheet date.

11. Creditors: amounts falling due within one year

	Group		Charity only	
	2020	2019	2020	2019
	£	£	£	£
Obligations under finance lease and hire purchase contracts	4,221	10,799	-	6,578
Trade creditors	42,696	166,221	22,663	82,492
Value added tax	24,776	24,722	24,776	24,722
Other taxes and social security	98,349	46,180	98,349	46,180
Pension costs	6,396	6,787	6,396	6,787
Salary costs due	-	2,637	-	2,637
Accruals and deferred income	258,338	312,796	244,911	279,229
Due to group undertakings	-	-	15,722	-
Provision for doubtful debts	1,200	-	-	-
	<u>435,976</u>	<u>570,142</u>	<u>412,817</u>	<u>448,625</u>

Obligations under finance lease and hire purchase contracts are secured upon the assets to which the contract relates.

12. Creditors: amounts falling due after more than one year

	Group		Charity only	
	2020	2019	2020	2019
	£	£	£	£
Obligations under finance lease and hire purchase contracts	5,628	9,497	-	-
	<u>5,628</u>	<u>9,497</u>	<u>-</u>	<u>-</u>

Obligations under finance lease and hire purchase contracts are secured upon the assets to which the contract relates.

CLARETS IN THE COMMUNITY LIMITED
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13. Obligations under hire purchase and finance lease agreements

	Group		Charity only	
	2020	2019	2020	2019
	£	£	£	£
In one year or less on demand	4,221	10,799	-	6,578
Between one and two years	4,221	9,497	-	-
Between two and five years	1,407	-	-	-
	<u>9,849</u>	<u>20,296</u>	<u>-</u>	<u>6,578</u>

14. Movement in funds

	Group		
	Unrestricted	Restricted Other	Restricted Capital
	£	£	£
As at 1 July 2019	102,284	36,843	1,119,743
Net movement in funds	104,975	28,469	418,681
As at 30 June 2020	<u>207,259</u>	<u>65,312</u>	<u>1,538,424</u>

	Charity only		
	Unrestricted	Restricted Other	Restricted Capital
	£	£	£
As at 1 July 2019	389,750	1,550	1,100,594
Net movement in funds	505,734	(122,706)	504,654
Transfer between funds	(121,156)	121,156	-
As at 30 June 2020	<u>774,328</u>	<u>-</u>	<u>1,605,248</u>

15. Analysis of net assets between funds

	Group		
	Unrestricted	Restricted Other	Restricted Capital
	2020	2020	2020
	£	£	£
Fixed assets	398,872	-	1,538,424
Current assets	131,668	183,283	-
Creditors: amounts falling due within one year	(318,005)	(117,971)	-
Creditors: amounts falling due after more than one year	(5,276)	-	-
	<u>207,259</u>	<u>65,312</u>	<u>1,538,424</u>

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	Unrestricted	Group Restricted Other	Restricted Capital
	2019	2019	2019
	£	£	£
Fixed assets	407,384		1,119,743
Current assets	(17,247)	328,629	
Creditors: amounts falling due within one year	(278,356)	(291,786)	
Creditors: amounts falling due after more than one year	(9,497)		
	<u>102,284</u>	<u>36,843</u>	<u>1,119,743</u>

15. Analysis of net assets between funds (CONTINUED)

	Unrestricted	Charity only Restricted Other	Restricted Capital
	2020	2020	2020
	£	£	£
Fixed assets	792,931	-	1,605,248
Current assets	74,619	319,596	-
Creditors: amounts falling due within one year	(93,222)	(319,596)	-
Creditors: amounts falling due after more than one year	-	-	-
	<u>774,328</u>	<u>-</u>	<u>1,605,248</u>

	Unrestricted	Charity only Restricted Other	Restricted Capital
	2019	2019	2019
	£	£	£
Fixed assets	525,274	-	1,100,594
Current assets	17,609	297,042	-
Creditors: amounts falling due within one year	(153,133)	(295,492)	-
Creditors: amounts falling due after more than one year	-	-	-
	<u>389,750</u>	<u>1,550</u>	<u>1,100,594</u>

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16. Commitments

As at 30 June 2020, the company had annual commitments under non-cancellable operating leases as set

	2020 £	2019 £
Operating leases which expire within one year:	75,000	-
Operating leases which expire within two and five years:	85,686	805,124
Operating leases which expire after more than five years:	593,750	-
	<u>754,436</u>	<u>805,124</u>

Capital commitments

As at 30 June 2020, the subsidiary company had capital commitments of nil (2019: £529,129).

17. Other related party transactions outside of the Group

During the year, the company made the following related party transactions outside of the Group:

The Burnley Football & Athletic Company Limited ('BFC')

Directors B C Kilby and B T Nelson are also directors of BFC. During the year, the company received contribution from BFC totalling £167,141 (2019: £112,376).

During the year, BFC provided goods and services to the company totalling £3,251 (2019: £33,073) and office space to the company at no charge.

18. Company status

The company is limited by guarantee. The guarantors of the company are J Blake and P A S Wilson.

The liability in respect of the guarantee as set out in the Memorandum of Association is limited to £10 per member of the community.

The Company has a subsidiary undertaking. In future years, it is expected that the subsidiary makes a profit. It is the intention that the subsidiary will gift-aid donate any profits to the charity, as per the objective set out in the Articles of Association of the subsidiary.

CLARETS IN THE COMMUNITY LIMITED
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19. Comparative Statement of Financial Activities for the Year Ended 30 June 2019

	Note	Unrestricted	Restricted	Restricted Capital	Total
Incoming resources					
Income and endowments from:					
Donations and legacies	2	150,556	82,735	867,721	1,101,012
Charitable activities	2	522,505	1,728,841	26,761	2,278,107
Other trading activities		333,917	-	-	333,917
Investments		217	-	-	217
Total		1,007,249	1,811,576	894,482	3,713,307
Resources expended					
Expenditure on:					
Raising funds		214,705	-	-	214,705
Charitable activities	3	971,236	1,879,837	40,907	2,891,980
Other		3,288	3,192	-	6,480
Total		1,189,229	1,883,029	40,907	3,113,165
Net income for the year	4	(181,980)	(71,453)	853,575	600,142
Reconciliation of funds:					
Total funds brought forward		284,264	108,296	266,168	658,728
Total funds carried forward		102,284	36,843	1,119,743	1,258,870

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