

CLARETS IN THE COMMUNITY LIMITED

(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

Company Number: 08615704

Registered Charity Number: 1155856

CLARETS IN THE COMMUNITY LIMITED
(a company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

Directors

P A S Wilson
B T Nelson (Chair)
M C Cartledge
B C Kilby
R H J Sutton
A Rushton
A N Allen (*appointed 31 March 2017*)
D M Lawson (*appointed 31 March 2017*)

D Burton (*resigned 31 March 2017*)
A H Qureshi (*resigned 23 April 2017*)

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

Chief Executive Officer

N A Hart

Registered office

Turf Moor
Harry Potts Way
Burnley
Lancashire
BB10 4BX

Company number

08615704

Registered charity number

1155856

Independent Auditors

Cassons business advisers LLP
St Crispin House
St Crispin Way
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 2017

The directors present their report and the audited financial statements of the charitable company for the year ended 30 June 2017.

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 in the local press, 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 are 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 (on Page 23).

The charity has no subsidiary undertakings.

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 support, inspire and deliver change in communities. This is achieved through the delivery of three community objectives:

1. To provide tangible community outcomes across our key themes of work, which include sports participation, education, health, social inclusion and community facilities.
2. To be a self-financing, viable charity embedded within the ethos of Burnley Football Club.

CLARETS IN THE COMMUNITY LIMITED
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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2017

3. To work with individuals and organisations to establish strong partnerships to develop and deliver worthwhile and beneficial community projects.

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: *Innovation; Honesty; Integrity; Knowledge; Creativity; Individuality; Effectiveness; Boldness; Experience; and a 'can do' approach.*

The charity delivered a wide range of community projects during the 2016-17 financial year including:

- Premier League Primary Stars
- Premier League Kicks
- Premier League Enterprise
- Barclays Premier League Works
- Female Football
- Disability Sport
- Schools Sport
- Football Coaching
- National Citizen Service
- Duke of Edinburgh Scheme
- Active Clarets – Health and Wellbeing
- Parents On The Ball
- Turf Works (Employability Project)

Achievements and Performance

This financial year represents the charity's third full year of operations which has seen even further significant growth of the charity's activities. During the year, the charity engaged with over 24,000 individuals (an increase of 7,000 on the previous financial year), delivering over 35 community projects in Burnley and the wider region.

The charity has seen further increase of investment into most areas of work, which has seen the upscaling of existing programmes in order to increase engagement and the scope of the works. There continues to be a focus on increasing unrestricted income through fundraising events and sponsorship.

At the year end, the charity employed 38 full time staff and 14 part time staff and has further established a strong team of skilled practitioners to develop the work of the charity further.

Financial Review

A summary of the financial results for the year ended 30 June 2017 can be found in the Statement Of Financial Activities (Page 13) and a summary of the financial position as at 30 June 2017 can be found in the Balance Sheet (Page 14).

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.

No investments were made during the year.

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2017

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

The identified risks are categorised and logged on the charity's risk register. Each risk is given a severity rating and a likelihood rating. Each risk is mapped to a series of controls, which are in place to mitigate the risks. The processes in place to identify and log these risks are reviewed annually.

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

The risk register is reviewed and approved on an annual basis.

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 charity needs reserves in the meantime.

The directors must maintain an overall target level for all reserves which is equivalent to three months net operating costs. This will be over and above those reserves represented by fixed assets on the balance sheet.

The directors acknowledge that the level of reserves 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 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 current total reserves, net of fixed assets, as disclosed on the balance sheet as at 30 June 2017 translates to approximately 4.2 months net operating costs.

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 2017-18, the charity will open a community sports and leisure facility on the Brierfield Mill site in the Borough of Pendle. The charity is working with a range of partners and funders to complete and open the facility. The project is likely to cost in the region of £4.1 million with 100% of this funding to be secured from external partners. £50,000 of this funding has been secured through donations. These donations have been gratefully received in 2016-17 and recognised in the Statement Of Financial Activities for 2016-17, shown as restricted for this purpose.

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2017

The charity will also, in 2017-18, acquire the Whitehough Outdoor Centre (also in Pendle) on a long-term lease basis from Lancashire County Council. The Centre will be used to offer outdoor education opportunities for young people from disadvantaged communities and young people with special educational needs. The Centre will also be used to expand offering of programmes such as the National Citizen Service and the Duke of Edinburgh's Award scheme. The charity will open the Centre to local schools to use. The lease premium will cost £200,000 and there will be additional fit out costs of £50,500 with funding having been secured through donations. These donations have been gratefully received in 2016-17. £50,500 of these donations have been shown in the Statement Of Financial Activities as restricted income. The remaining £250,000 has been shown on the Balance Sheet as deferred income, because the lease agreement was completed post balance sheet date and as such the conditions of the donation were outside of the control of the charity as at 30 June 2017.

The charity will open a Community Kitchen in 2017-18 in Burnley town centre. Funding for fit out has been secured from a range of local partners. The Community Kitchen will support the town to become a community in which everyone has access to sufficient healthy food. It will also provide volunteering and work experience opportunities for the employability programme participants.

The charity will also focus on maintaining current levels of community delivery while upscaling some existing provisions. The charity will continue to meet and develop new partnerships with a range of public, private and voluntary sector organisations.

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:

D Burton (*resigned 31 March 2017*)

A H Qureshi (*resigned 23 April 2017*)

P A S Wilson

B T Nelson (Chair)

M C Cartledge

B C Kilby

R H J Sutton

A Rushton

A N Allen (*appointed 31 March 2017*)

D M Lawson (*appointed 31 March 2017*)

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.

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2017

Reappointment of Independent Auditors

The auditors, Cassons business advisers LLP, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

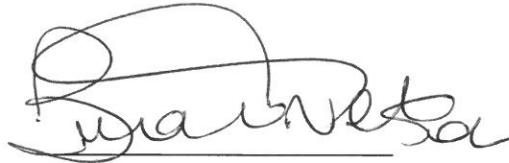
Liability of members

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:

29 September 2017

B T Nelson
Director

A handwritten signature in black ink, appearing to read 'B T Nelson', written over a horizontal line.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 30 JUNE 2017

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 2017

Opinion

We have audited the financial statements of Clarets in the Community Limited for the year ended 30 June 2017, set out on pages 13 to 23 which comprise the Statement of Financial Activities, the Balance Sheet and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its incoming resources and application of resources 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 charitable 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLARETS IN THE COMMUNITY LIMITED
YEAR ENDED 30 JUNE 2017

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 9), 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 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 company or to cease activities, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the activities within the company to express an opinion on the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CLARETS IN THE COMMUNITY LIMITED

YEAR ENDED 30 JUNE 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Carlton Cooper (Senior Statutory Auditor)
For and on behalf of:

Cassons business advisers LLP, Statutory Auditor
St Crispin House
St Crispin Way
Haslingden
Rossendale
Lancashire
BB4 4PW

Date: 13th November 2017

CLARETS IN THE COMMUNITY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 Total £
Incoming resources					
Income and endowments from:					
Donations and legacies	2	117,531	125,653	243,184	67,448
Charitable activities	2	210,727	1,117,117	1,327,844	761,482
Other trading activities		117,715	-	117,715	94,930
Investments		591	-	591	324
Total		<u>446,564</u>	<u>1,242,770</u>	<u>1,689,334</u>	<u>924,184</u>
Resources expended					
Expenditure on:					
Raising funds		56,281	-	56,281	61,046
Charitable activities	3	357,605	1,128,227	1,485,832	821,349
Other		4,148	-	4,148	4,145
Total		<u>418,034</u>	<u>1,128,227</u>	<u>1,546,261</u>	<u>886,540</u>
Net income for the year	4	28,530	114,543	143,073	37,644
Reconciliation of funds:					
Total funds brought forward		<u>179,009</u>	<u>48,139</u>	<u>227,148</u>	<u>189,504</u>
Total funds carried forward		<u><u>207,539</u></u>	<u><u>162,682</u></u>	<u><u>370,221</u></u>	<u><u>227,148</u></u>

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

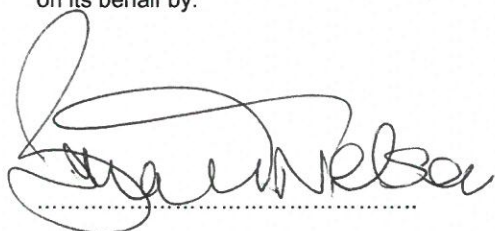
CLARETS IN THE COMMUNITY LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	7		92,549		49,411
Current assets					
Debtors	8	118,337		96,116	
Cash at bank and in hand		<u>506,948</u>		<u>203,161</u>	
		<u>625,285</u>		<u>299,277</u>	
Creditors: amounts falling due within one year	9	<u>(333,859)</u>		<u>(100,610)</u>	
Net current assets			<u>291,426</u>		<u>198,667</u>
Total assets less current liabilities			383,975		248,078
Creditors: amounts falling due after more than one year	10		(13,754)		(20,930)
Net assets			<u>370,221</u>		<u>227,148</u>
Financed by:					
Unrestricted funds	12		207,539		179,009
Restricted funds	12		162,682		48,139
			<u>370,221</u>		<u>227,148</u>

The financial statements were approved by the Board of Trustees on 29 September 2017 and were signed on its behalf by:



B T Nelson
Director

CLARETS IN THE COMMUNITY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations		371,965	23,625
Interest received		(591)	(324)
Interest paid		1,097	1,097
Net cash provided by / (used in) operating activities	1	372,471	24,398
 Cash flows from investing activities:			
Purchase of property, plant and equipment		(68,684)	(10,334)
Net cash provided by / (used in) investing activities		(68,684)	(10,334)
 Change in cash and cash equivalents in the reporting period		303,787	14,064
Cash and cash equivalents at the beginning of the reporting period		203,161	189,097
 Cash and cash equivalents at the end of the reporting period	2	506,948	203,161

CLARETS IN THE COMMUNITY LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

1. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the reporting period (as per the Statement Of Financial Activities)	143,073	37,644
Adjustments for:		
Depreciation charges	25,546	13,941
Interest received	591	324
Interest paid	(1,097)	(1,097)
(Increase) / decrease in debtors	(22,221)	(53,399)
Increase / (decrease) in creditors	226,073	26,212
Net cash provided by / (used in) operating activities	<u><u>371,965</u></u>	<u><u>23,625</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	506,948	203,161
Total cash and cash equivalents	<u><u>506,948</u></u>	<u><u>203,161</u></u>

CLARETS IN THE COMMUNITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

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 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.

1.3 Fund accounting

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

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.

1.4 Incoming resources

All incoming resources are included in the 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 deliverables are accounted for as the company earns the right to consideration by its performance.

1.5 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 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.

1.6 Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets on a straight-line basis. It is calculated at the following rates:

Office and computer equipment	20% per annum
Motor vehicles	25% per annum

1.7 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 received from the Premier League Charitable Fund.

CLARETS IN THE COMMUNITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

1.8 Hire purchase 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 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 balance sheet. The interest element of the rental obligation is charged to the 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.

2. Incoming resources

	2017	2017	2017
	Unrestricted	Restricted	Total
	£	£	£
Donations and legacies			
Grants received	100,000	75,153	175,153
Donations	17,531	50,500	68,031
	<u>117,531</u>	<u>125,653</u>	<u>243,184</u>
Charitable activities			
Projects, courses and match day income	<u>210,727</u>	<u>1,117,117</u>	<u>1,327,844</u>
	2016	2016	2016
	Unrestricted	Restricted	Total
	£	£	£
Donations and legacies			
Grants received	34,123	-	34,123
Donations	33,325	-	33,325
	<u>67,448</u>	<u>-</u>	<u>67,448</u>
Charitable activities			
Courses and match day income	<u>156,760</u>	<u>604,722</u>	<u>761,482</u>

Brierfield Mill and Whitehough Outdoor Centre - restricted donations

Restricted donations have been received in 2016-17 which are to be specifically spent on the Brierfield Mill and Whitehough Outdoor Centre facilities. The donation amounts are £50,000 (Brierfield Mill) and £500 (Whitehough Outdoor Centre). The associated expenditure will be incurred in 2017-18. These donations have been shown in the Statement Of Financial Activities for 2016-17 as restricted income.

Other trading activities

All such income relates to unrestricted funds.

CLARETS IN THE COMMUNITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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3. Expenditure on charitable activities

	2017	2017	2017
	Unrestricted	Restricted	Total
	£	£	£
Direct costs - projects, courses, including specific employee costs	52,821	304,759	357,580
Other employee costs	270,478	664,331	934,809
Administrative expenses	12,115	96,310	108,425
Bank charges	1,056	2,940	3,996
Depreciation	6,753	18,793	25,546
Governance attributed to charitable activities	-	1,070	1,070
Hire purchase interest	290	807	1,097
VAT - partial exemption restriction	14,092	39,217	53,309
	<u>357,605</u>	<u>1,128,227</u>	<u>1,485,832</u>
	2016	2016	2016
	Unrestricted	Restricted	Total
	£	£	£
Direct costs - projects, courses, including specific employee costs	45,364	137,237	182,601
Other employee costs	132,240	388,521	520,761
Administrative expenses	26,343	48,922	75,265
Bank charges	1,240	2,304	3,544
Depreciation	4,879	9,062	13,941
Hire purchase interest	384	713	1,097
VAT - partial exemption restriction	8,449	15,691	24,140
	<u>218,899</u>	<u>602,450</u>	<u>821,349</u>

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

	2017	2016
	£	£
Depreciation	25,546	13,941
Auditor's remuneration - statutory audit fee	2,700	3,500
Auditor's remuneration - other accountancy services	<u>1,950</u>	<u>3,025</u>

5. Staff costs

	2017	2016
	£	£
Wages and salaries	823,225	526,063
Social security costs	78,396	42,504
	<u>901,621</u>	<u>568,567</u>

There were no Trustees' remuneration or other benefits for the year ended 30 June 2017 nor for the period ended 30 June 2016.

There were no Trustees' expenses paid for the year ended 30 June 2017 nor for the period ended 30 June 2016.

CLARETS IN THE COMMUNITY LIMITED
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YEAR ENDED 30 JUNE 2017

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

	2017	2016
£80,001 - £90,000	1	-
£70,001 - £80,000	-	1
£60,001 - £70,000	-	-

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 £210,169 (2016 - £149,505).

The salaries of the key management personnel are set by annual review and confirmed by the Trustees.

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

	2017	2016
Delivery of charitable activities	38	31
Management and administration of the charity	11	3
	<u>49</u>	<u>34</u>

6. 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.

7. Tangible fixed assets

	Motor vehicles	Office and computer equipment	Total
	£	£	£
Cost			
As at 1 July 2016	39,973	26,968	66,941
Additions	-	68,684	68,684
As at 30 June 2017	<u>39,973</u>	<u>95,651</u>	<u>135,625</u>
Depreciation			
As at 1 July 2016	9,993	7,537	17,530
Charge for the year	9,993	15,553	25,546
As at 30 June 2017	<u>19,986</u>	<u>23,090</u>	<u>43,076</u>
Net book value			
As at 30 June 2017	<u>19,987</u>	<u>72,562</u>	<u>92,549</u>
As at 30 June 2016	<u>29,980</u>	<u>19,431</u>	<u>49,411</u>

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Hire purchase and finance lease assets

Included within the net book value of tangible fixed assets is £19,987 (2016 - £29,980) in respect of assets held under hire purchase or finance lease agreements. Depreciation for the year on these assets was £9,993 (2016 - £9,993).

Custodian Trusteeship Disclosure

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

8. Debtors

	2017	2016
	£	£
Trade debtors	49,139	26,181
Prepayments and accrued income	69,198	69,935
	<u>118,337</u>	<u>96,116</u>

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

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Obligations under finance lease and hire purchase contracts	7,176	7,176
Trade creditors	22,517	21,459
Other taxes and social security	28,091	20,673
Accruals and deferred income	276,075	51,302
	<u>333,859</u>	<u>100,610</u>

A further restricted donation of £250,000 has been received in 2016-17 which is to be specifically spent on the Whitehough Outdoor Centre facility. The associated expenditure will be incurred in 2017-18. This donation is shown on the Balance Sheet as at 30 June 2017 as deferred income because the lease agreement was completed post the Balance Sheet date, and as such the conditions of the donation were outside of the control of the charity as at the Balance Sheet date.

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

	2017	2016
	£	£
Obligations under finance lease and hire purchase contracts	<u>13,755</u>	<u>20,930</u>

11. Obligations under hire purchase and finance lease agreements

	2017	2016
	£	£
In one year or less on demand	7,176	7,176
Between one and two years	7,176	7,176
Between two and five years	6,578	13,754
	<u>20,930</u>	<u>28,106</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

CLARETS IN THE COMMUNITY LIMITED
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12. Movement in funds

	Unrestricted	Restricted
	£	£
As at 1 July 2016	179,009	48,139
Net movement in funds	28,530	114,543
As at 30 June 2017	<u>207,539</u>	<u>162,682</u>

13. Analysis of net assets between funds

2017	Unrestricted	Restricted
	£	£
Fixed assets	92,549	-
Current assets	175,002	450,285
Creditors: amounts falling due within one year	(46,257)	(287,602)
Creditors: amounts falling due after more than one year	(13,755)	-
	<u>207,539</u>	<u>162,682</u>

2016	Unrestricted	Restricted
	£	£
Fixed assets	49,411	-
Current assets	191,753	107,524
Creditors: amounts falling due within one year	(41,225)	(59,385)
Creditors: amounts falling due after more than one year	(20,930)	-
	<u>179,009</u>	<u>48,139</u>

Restricted funds represent contracts and grants received to supply specific services in respect of sports participation, health, education, social inclusion, and for new facilities at Brierfield Mill and Whitehough Outdoor Centre.

14. Commitments

Operating lease commitments

As at 30 June 2017, the company had annual commitments under non-cancellable operating leases as set out below:

	£
Operating leases which expire within one year:	6,245
Operating leases which expire within two and five years:	<u>54,167</u>

CLARETS IN THE COMMUNITY LIMITED

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YEAR ENDED 30 JUNE 2017

15. Related party transactions

During the year the company made the following related party transactions

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

Messrs Kilby and Nelson are directors of BFC. During the year, the company made recharges of salaries totalling £63,566 (2016 - £36,764). During the year, BFC provided goods and services to the company totalling £38,646 (2016 - £43,195) and office space to the company at no charge.

In addition, £250,000 was gratefully received as a restricted donation to the Whitehough Outdoor Centre project. One of the directors of the company is also a director of the company making the £250,000 donation.

16. 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.

17. Transition to FRS 102

As stated in Note 1, these are the company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in the notes to the accounts have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented in these financial statements for the year ended 30 June 2016.

In preparing its FRS 102 Balance Sheet, there has been no impact on the company's equity or the company's profit and loss.