

BLACKBURNE HOUSE
(Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

for the year ended
31 July 2021

Company Registration Number 2674432
Charity Number 1010546

BLACKBURNE HOUSE

Accounts Year ended 31 July 2021

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Members of the Board and Professional Advisors Year ended 31 July 2021

Registered charity name	Blackburne House
Company number	2674432
Charity number	1010546
The Board of Trustees	Liz Cross (Chair) Maureen Mellor (resigned 19/11/20) Sally-Anne Watkiss Lorna Rogers (resigned 25/02/21) Therese Patten Annette Hennessy Claire Ryan Kate Fox Emma Carey (appointed 29/07/20) Nina Roberts (appointed 29/07/20)
Company secretary	Dana Nixon (resigned 30/03/21) Helen Byrne (appointed 30/03/21)
Chief executive	Anne McColl (appointed 01/08/20)
Registered office	Blackburne House Blackburne Place Off Hope Street Liverpool L8 7PE
Statutory Auditor	Mitchell Charlesworth LLP Chartered Accountants Registered Auditor 3rd Floor 5 Temple Square Temple Street Liverpool L2 5RH
Bankers	National Westminster Bank Plc 2 - 8 Church Street Liverpool L1 3BG
Solicitors	MSB Solicitors Ltd Silkhouse Court Tithebarn Street Liverpool L2 2LZ

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Trustees' Annual Report Year ended 31 July 2021

The trustees, who are also directors for the purposes of the Companies Act, present their annual report and the audited financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland published October 2019".

Trustees

The trustees who served the charity during the period were as follows:

Liz Cross	Annette Hennessy
Maureen Mellor (resigned 19/11/20)	Claire Ryan
Sally-Anne Watkiss	Kate Fox
Lorna Rogers (resigned 25/02/21)	Emma Carey (appointed 29/07/20)
Therese Patten	Nina Roberts (appointed 29/07/20)

Trustees are appointed in accordance with the Memorandum and Articles of Association.

None of the trustees receive remuneration or other benefits for their work as trustees of the charity. Any connection between a trustee or senior manager of the charity with a company must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party.

Objectives of the Charity

The charity's objects and its principal activity continue to be to advance education and to relieve need by providing or assisting in the provision of vocational training for women and by providing guidance for such of them, as are in need, calculated to enable them to earn their own living. To promote any charitable purpose and in particular charitable purposes directed to the advancement of women's education and the provision of training facilities for women.

Public Benefit

When planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit and in particular the specific guidance on charities with other purposes currently recognised as charitable and any new charitable purpose which are similar to other charitable purpose.

We are an equal opportunities organisation and are committed to a working environment that is free from any form of discrimination on the grounds of race, ethnicity, sexual orientation or disability.

It is a priority of the organisation that access to our services is not restricted to those who can afford our fees. Our concessionary fee policy contributes to the widening of access to the courses we offer and the facilities we provide.

The trustees have had due regard to the guidance published by the Charity Commission on public benefit and in particular the supplementary guidance on public benefit and fee charging.

About Blackburne House

Women's Technology Training Limited, our founder and sister company (known as Blackburne House Education) was established in 1983 with the aim of progressing women from disadvantaged backgrounds into employment within technical professions – an area in which, at the time, women were significantly under-represented.

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Trustees' Annual Report [Continued]
Year ended 31 July 2021

Strategic Report

The organisation grew quickly and considerably and, in 1991 we moved into new premises in Liverpool's famous Georgian Quarter. More than £4m was raised in order to breathe new life back into Blackburne House and the beautiful, Grade II-listed building that was once the home of the first Girls' School in the country then became our new home.

After more than 30 years' service we received local, national and international recognition for the work that we do in education and in June 2015 were granted Freedom of the City in recognition for our services in Education for Women across Liverpool and the wider Merseyside area.

Today, Blackburne House Education is a vibrant and thriving organisation. Over the years, through Blackburne House, we have established a number of successful social enterprises that succeed in supporting our educational aims and provide tangible examples of how new markets can be used to serve local communities.

Attracting thousands of visitors each year, our facilities now includes a bistro, café, wellness and counselling centre, conference and events facilities, a 36-place nursery and a robust project portfolio.

In operating our social businesses, our social purpose and the social value we create is key to all of the activities undertaken at Blackburne House. All of our contributions enable us to deliver outstanding educational and economic opportunities for women from across the city, who view Blackburne House as a safe place to access learning and personal development.

Feedback from our learners and customers has proven that, by offering a range of educational opportunities with a unique wrap around structure, women across the city go on to access higher education and employment, becoming role models for their family and friends. Blackburne House is key to the economic activity of many women and this can only be achieved as our social enterprises generate income, provide real life work experience for our learners as well as creating local employment opportunities and far reaching social impact.

Our Vision and Values

Our vision is to educate and upskill women so that they can pursue professions in every sector and at every level, to give confidence to the women we work with, so that they can go on to live independent lives, believe in their dreams and achieve their ambitions. We want to inspire our women to believe that anything is possible, to instil a culture of empathy and understanding; of inclusion and acceptance and to overcome racism, prejudice, discrimination and adversity, creating a positive and holistic environment where women can share, learn and grow.

Our social enterprises provide an enterprising approach to teaching and learning. Enterprise encourages people to learn and develop in a way that meets their needs and develops skills for learning, skills for life and skills for work. The world is changing rapidly, and people need to be prepared. They need to have the skills and attitudes to cope with an unpredictable future, to be able to deal with setbacks and disappointments in a positive way and to continue to learn for the rest of their lives. Whenever possible, we utilise the resources across the whole of Blackburne House to provide our learners with real life opportunities to enhance their development and support them to become more influential in their own lives and that of others.

We have a core set of values that are embedded into everything that we do. Those values are integral to our organisation, helping to define our long-term aims and objectives and influence the way we work.

Inspiration

We provide the highest possible quality of inspirational education and development – and our teaching and working methods and our services and environment reflect this relentless commitment.

Transformation

We believe in using creative working methods to develop new and innovative ways of fulfilling and exceeding our financial, social and environmental aims - renewing and transforming our business and helping us to touch and transform the lives of everyone who works with Blackburne House.

BLACKBURNES HOUSE

Trustees' Annual Report [Continued] Year ended 31 July 2021

Equality

Blackburne House is and has always been about holistic approaches to improving the lives of women – all women. We constantly build on the diversity and range of our services including support and education services for children and men, where these will contribute to improving the lives of women.

Independence

As well as helping our students and service users to develop their own independence, our charitable and commercial activities all operate to continuously improving business standards – to deliver the independence of Blackburne House.

Activities, achievements and performance

The principal activity of Blackburne House is to provide support structures to its sister organisation, Blackburne House Education. Blackburne House has a range of social business areas and each business area is driven by our values. In addition to this, our project portfolio provides unique and bespoke wrap around services to enhance wellness and learning opportunities.

During the COVID-19 pandemic, local economies throughout the world have been severely impacted. From March 2020, measures taken by governments to control the spread of the virus have included lockdowns, travel bans, quarantines, social distancing and closing of non-essential services which continued throughout 2021. This has resulted in many businesses like ours having to cease or limit our activities for long or indefinite periods of time as we work to adapt to the economic slowdown. The impact for Blackburne House has been far reaching as we socially trade across multiple sectors that have been directly affected. We responded quickly and adapted, continuing to access government grants and support, working with funders and strategic partners that seek to enhance social impact and support sustainability. Given our proven track record, depth and reputation in the local community we are well positioned to continue to serve the women of Liverpool and the local community. The Board continue to review our post Covid-19 recovery plans and shape the business so that we can focus our efforts on mission led, sustainable portfolios that support the vision to empower women.

A summary of the performance of each of these businesses is given below:

The Bistro

The prime aim of our Bistro is to provide students, staff, conference attendees and a broad range of customers with value for money, nutritional meals in a relaxed and welcoming environment. As a bistro that champions social values our 'Buy Social' agenda is something that we consciously operate within every day and we are proud of the social impact we make in so many ways:

- We serve quality, affordable, healthy and nutritious food, cooked from scratch every day.
- We subsidise the cost of meals to staff and students to ensure our people are never hungry and are fully nourished to enable them to achieve the best possible personal results.
- We use fresh produce each day, of which over 90% is purchased from local suppliers and social enterprises.
- We provide good quality jobs at a fair wage and employment and training opportunities for many women who are furthest from the labour market
- We provide volunteer and employment opportunities for people with learning difficulties and disabilities.
- We use fair trade products and all of our disposables are biodegradable.

We are passionate about the quality of our food and service and the impact we have in the local community. We take pride that all of our actions make a positive impact, not only on the education of women, but to the environment and the lives of people we employ and throughout our supply chain.

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Trustees' Annual Report [Continued] Year ended 31 July 2021

The hospitality sector has been one of the hardest hit by the pandemic. Following the first national lockdown restrictions which impacted severely on turnover with periods of complete closure, the Bistro gradually re-opened its doors from July 2020, continuing to offer takeaway services alongside seated dining and welcoming back customers from the local community who had continued to support Blackburne House throughout period of closure. The challenges of navigating changing rules, local Tier restrictions which were first introduced in Liverpool in October 2020 and further local and national lockdowns continued to impact the income generated by the Bistro with sales down 80% from August 2020 to March 2021 against pre-pandemic year. We have continued to re-build income following the lift of the third national lockdown in line with government guidance for hospitality. The pandemic impacted all of our catering lines across the Bistro, Conference Catering, Outside Catering and Events.

We continued to access local government funding opportunities and took advantage of government schemes such as VAT reduction and the Coronavirus Job Retentions Scheme. We successfully gained the Liverpool City Council Hospitality Discretionary Grant of £15.4k in November 2020 and a further Hospitality Top Up Grant for £15.2k in June 2021 for hospitality industry. We made grant applications to funders who recognised the challenges facing our sector. More specifically, those funders focused on sustainability and who recognised the impact we make as a charity supporting women in education and as a social enterprise supporting the local community.

The Café

We received grant funding from Social Enterprise Support Fund in October 2020 in order to support our new catering enterprise and in November 2020, despite the significant challenges of the pandemic restrictions, we successfully opened the Café in the Liverpool Clatterbridge Cancer Hospital. We provide catering for visitors, staff and patients, enabling Key Workers to access healthy nutritional meals this also helps generate additional income to the portfolio at Blackburne House in supporting our charitable objectives.

The hospital Trust particularly wanted to work with providers rooted in the Liverpool community, supporting local staff and local suppliers. This provided an opportunity for growth within our Catering Portfolio to ensure we could scale up our hospitality turnover through another outlet for future growth and sustainability.

Conference and Events

Blackburne House offers a variety of refreshing and flexible rooms and spaces to host conferences, events, private functions, exhibitions and development activities. We offer our clients a simple Day Delegate Rate along with specialised bespoke packages tailored to their individual needs. We also partner with similar organisations, providing them with our expertise in running and planning events such as graduations, conferences, training away days and educational activities. We host a number of key cultural events throughout the year separately and in collaboration with our partners in the Visit Hope Street CIC and are licensed as a wedding venue. Together with the Visit Hope Street CIC stakeholder group we hold a national prestigious award for one of the best streets in the UK and collectively we represent on many cultural and regional tourism board.

Blackburne House was one of the host venues in July 2021 for the "From Now On" exhibitions supported by Culture Liverpool as part of the "Goodbye and Good Riddance" events to acknowledge the lifting of Covid restrictions in the city and memorialise the challenges and changes which had taken place since the start of the pandemic.

We are also proud to deliver a strong social impact in this part of the business by supporting local community groups and charities with free and discounted rooms and space. This enables organisations such as local drama and writing groups, choirs and other community charities to continue to generate significant participation, which drives a strong social impact in supporting the local community and bringing people together.

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Trustees' Annual Report [Continued] Year ended 31 July 2021

The continued pandemic restrictions and additional lockdowns from Autumn 2020 through to 2021 extended the adverse trading impact of the pandemic on our conference and events portfolio with gatherings limited to small numbers and further cancellations of re-booked events due to implementation of further restrictions to hospitality. Room hire income reduced by 78% against the last pre-pandemic financial year. Conferencing has been one of the slowest sectors to recover as organisations have looked for socially distanced alternatives to traditional meetings. We are confident that we will see continued re-growth in this sector and look forward to building a usual level of hosted group events, campaigns and weddings within our Grade II listed building.

Nursery

Our 36-place nursery, from babies to 5-year olds, provides high quality and innovative childcare that enhances the opportunities and lives of children, parents and families locally. We continue to be a key support structure for our students and the wider community by offering affordable and attainable childcare. We provide early learning interventions for funded 2, 3- and 4-year olds to ensure they have the opportunity to access a childcare environment and support their development to become school ready. We continue to offer the government 30 hours funded places for 3- and 4-year olds, in addition to 15 hours funded places for 2-year olds.

At our last Ofsted inspection in June 2017, we were rated Good and some aspects, particularly in our pre-school room, are outstanding. The inspectors commended our staff and how they use their qualifications, knowledge and skills to assess children's progress and to plan activities that reflect children's stages of development and interests. We were particularly proud that the inspectors commented that our well-qualified staff act as excellent role models who are particularly skilled and sensitive in supporting good behaviour and that our children show wonderful care and compassion towards each other.

We pride ourselves on providing a diverse and rich multicultural environment where our children come from as many as 10 different nationalities. Two of our staff are multilingual and children have the opportunity to speak Spanish as part of their learning. All of our direct childcare staff are qualified to Level 3 or more and one member of staff has Early Years Professional status.

By working in close partnership with parents and carers we ensure all of the child's needs are met and supported. As a charitable social enterprise, we give our children and local families the best possible life chances by:

- Offering subsidised childcare for our students and providing free meals where food poverty impacts a child's ability to learn and develop.
- Delivering a holistic approach to parental and carer advice and support, guiding them through complex issues and concerns.
- Empowering mum`s to go back into work.
- Providing more flexible, short term funded places to support parents and carers in need of respite.
- Delivering children's workshops to develop new experiences and skills e.g. Spanish Lessons. Supporting children with special educational needs, which included speech and language therapy, behaviour and sensory support.
- Providing free nursery education places for two- and three-year olds from the most disadvantaged families.
- Holding our 5-year-old graduation ceremonies to celebrate the children's development and school readiness.

Following the first national Covid-19 lockdown we re-opened the nursery on 29 June 2020 and welcomed the children back to Blackburne House. We had regularly communicated with our parents, carers and children to ensure they were provided with activity packs, support and parental guidance. Many of our children experience Special Educational Needs (SEN) and we recognised the disruption that lockdown has on family life, so keeping in touch and supporting our families was a priority.

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Trustees' Annual Report [Continued]
Year ended 31 July 2021

Wellness and Counselling Centre

Formerly known as The Health Place, our on-site space has been re-positioned to become a dedicated Wellness and Counselling Centre. During the pandemic we identified a significant mental health decline amongst women and we responded to this through accessing funding support for wellness and counselling services, building on the programme of counselling interventions and wellness services we had begun at the start of the pandemic and scaling up the level of services we offer to meet the increasing demand.

We work closely with a team of professional counsellors who are skilled in specialist areas such as domestic abuse, trauma and anxiety and our funders have recognised the vital role our services have played in the lives of women in our community. As we move forward, we have developed the Wellness and Counselling Centre to become part of the core services of Blackburne House, making a significant social impact and becoming a vital part of our broader portfolio.

Safeguarding

We are committed to safeguarding and promoting the welfare of our students and expect all of our staff, trustees and volunteers to share this commitment. Safeguarding of children, young people and vulnerable adults continue to be important to the organisation, and we take seriously our duty to comply with the Safeguarding Vulnerable Groups Act 2006, Education Act 2002 and Counter-Terrorism and Security Act 2015 and The Board of Trustees and staff have undertaken training in this area and continually review our performance and ability to adapt and respond, particularly with the additional challenges brought about by Covid-19 and delivery of services online. Our Board and the Education & Quality Committee closely monitor our policies and procedures and the organisation has an appointed Designated Safeguarding Officer.

We have continued to adapt our safeguarding policies in light of Covid19 impacts around digital and online safety and are providing additional support for mental health and wellness through our Counselling portfolio.

Projects and Business Development

Developing new contracts to build on our strategic aims is an important part of the sustainability of our organisation. As a charity and social enterprise operating in a Grade II listed building, the revenue we gain through projects and grant funding is essential. Providing sustainability during the periods of closure and restrictions due to the pandemic, project and grant funding has helped to contribute towards our core costs whilst delivering strong social impact to our recipients and partners. We received funding to support our nursery re-opening through Steve Morgan Foundation, funding to support the development and opening of a new catering outlet through the Social Enterprise Support Fund and hospitality grant funding through Liverpool City Council. This was vital in order to support the charity throughout the period of lifting of restrictions and recovery towards pre-pandemic trading levels.

We are active in developing our products and services that enrich our portfolio and are aligned to our strategic aims and values and we operate within the following arenas:

1. **Health & Wellbeing** – Female Health, Mental Health, Loneliness & Social Isolation, Wellbeing & Resilience programmes for women and families.
2. **Environmental & Cultural** - A blend of programmes focused on positive environmental outcomes to enhance the green economy, local biodiversity, and the adverse effects of climate change, in addition to cultural programmes including inclusion and equality and maintaining the integrity of our historical asset and archives.
3. **Education & Employment** - Career support, Access to Work, Personal Development, Lifestyle Courses, Apprenticeships and non-accredited courses.
4. **Business** - Business and personal development for Entrepreneurship, Leadership, Coaching and Mentoring and business start-up and scale up.

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Trustees' Annual Report [Continued] Year ended 31 July 2021

The global Covid-19 pandemic has presented us with strategic partnership opportunities we had not anticipated. Funders are favouring investment in organisations that are delivering social value through their day to day trading operations and activities, rather than through one off projects. As Blackburne House is a long-established social business with a track record of delivering social impact through trading, we are strongly positioned to partner with funders who are aligned to our vision and values.

The Board continues to review our Covid-19 recovery plans to shape the business so that we can focus our efforts on mission led, sustainable portfolios that support the vision to empower women. The budget projections for 2021/22 include a re-growth towards our pre-pandemic trading levels for our existing portfolio which is supported by growth of our more recent social enterprise areas such as our hospital café and our Wellness and Counselling centre. Our sustainability is enhanced through a blend of trading and strategic partnerships with Blackburne House that seek to enhance social impact and trading for good. As an organisation with such proven track record, depth and reputation in the local community, with a blend of services that have been able to adapt to local priorities, we are well positioned to strengthen our position post Covid-19 to continue to serve the women of Liverpool and the local community.

The Building

One of the trustees' prime responsibility is the upkeep of the Grade II listed building by way of ongoing repairs and renewals. The trustees' decisions are made to enable the building to be kept at a standard in line with the requirements of both Liverpool City Council and The Charities Commission.

The building is in trust to Blackburne House and in order to protect the investment of Liverpool City Region Combined Authority, Blackburne House agreed that it was in the best interests of the company, the property and the beneficiaries of the charity to appoint WTEC as a co-trustee of the Blackburne House Charity and to grant WTEC an interest in the property. A Deed of Appointment of Trustee and a Declaration of Trust between WTEC and Blackburne House was signed on 2 September 2016.

Our plans for the future

Blackburne House has a portfolio of businesses and projects that are diverse and yet complimentary to our core values in supporting the advancement of education and vocational training for women. Our strength is in our diversity as this means we have a variety of great assets and opportunities to maximise our full potential.

As a result of Covid-19 our day-to-day activities that provide much needed services in support of our charitable aims to educate women and drive social and economic advancement, have been recognised by funders. During this pandemic, we have strengthened our work within our community as we are directly aligned to those who need us most. Through new strategic partnerships, we are able to provide responsive and bespoke support to women, families and the BAME community that are more impactful and immediate. This will enable us to drive our trading and contracted services to a repositioned place of strength and sustainability for future scale and much needed social and economic impact.

Going forward we plan to focus our plans and strategic development on:

- We have secured funding for our Wellness and Counselling Centre, which supports our aim to establish this as one of the core service provisions in Blackburne House. We will continue to build and grow the programme of wellbeing services to ensure we can continue to provide much needed support to tackle mental ill-health in our local community and provide local businesses and the public with a centrally located, welcoming destination for on-site counselling services and wellness activities. We have been contracted by local authority to provide counselling services for specialist mental health areas and developed mental health first aider supervision and employee mental health welfare programmes for local and national businesses to access.

BLACKBURNE HOUSE

Trustees' Annual Report [Continued] Year ended 31 July 2021

Alongside Blackburne House Education, we will support learners with mental health counselling services, helping them to remove obstacles to learning. Blackburne House Wellness and Counselling Centre will also play a vital role in providing an environment for newly qualified Level 4 counsellors to access clinical counselling placements in order to complete their professional status, increasing the number of qualified counsellors in the city to help to meet the increasing demand for mental health services.

We are working closely with our Education Team in Blackburne House Education who will deliver an increased programme of counselling courses. The Wellness and Counselling Centre will provide a pathway to employment as Blackburne House learners both gain qualifications and experience in their chosen skill area. Through creating counselling roles, this will be an important employment pathway, particularly for BAME learners, so that service users can access support from professionals from their own community and culture. This is a unique offer that has made a significant social impact and is a vital part of our broader portfolio. The Wellness and Counselling Centre will offer services to over 1,000 women over the coming year, supported through both grant and paid-for services of wellness and counselling and we will continue to work with strategic partners and funders to access finance to support the growth required in this sector to combat mental health inequalities.

- We are proud to have established a new catering outlet at the Liverpool Clatterbridge Cancer Centre in November 2020, through significant challenges of opening during a period of Government lockdowns and restrictions. Our offering at the hospital has been extremely well received and continues to grow as local healthcare restrictions are gradually lifted. We anticipate generating higher turnover levels as the hospital opens up to visitors and increased hospital footfall. We have received positive feedback from customers and Trust management and Blackburne House has an additional platform to promote the charity and raise our profile in the local community. We are delighted that patients and customers value the opportunity to access fresh, seasonal and nutritious food from a local social enterprise who can continue to tailor and adapt to their needs. We are encouraged that this model delivers significant benefits for both the Trust and Blackburne House and have created a successful trading model and will look for opportunities to replicate this at other suitable sites.
- Continuing to deliver our vital Nursery service which has remained fully operational since re-opening in June 2020. This continuity of service is vital for local families, and we are grateful for the continued support of The Steve Morgan Foundation who recognised our Nursery provision is a critical component to family support and economic recovery.
- We have identified our conference and events as a growth area and will develop local partnerships to grow external customer usage of our spaces to develop this income stream. Through building our own programme of events we will generate income and raise the profile of the charity. Our historic building has a unique style and customer experience with catering provided through our social enterprise bistro. More and more organisations are becoming more socially minded and identify the social value of supporting charity venues for their own conference and events.
- We aim to grow our projects portfolio, supporting local community programmes and working with local stakeholders in Visit Hope Street CIC to identify projects whereby Blackburne House can continue to be positioned as one of the most vital social enterprise charities in the city.
- Our Bistro will continue to recover and build back to pre-pandemic trading levels, and provide an opportunity for increased employment and development of staff skills while providing students with subsidised meals to support their learning and our local neighbours and community who have supported Blackburne House and continue to promote our quality of food services throughout the city.

The Board will continue to review our post Covid-19 recovery plans and shape the business so that we can focus our efforts on mission led, sustainable portfolios that support the vision to empower women. As an organisation with such proven track record, depth and reputation in the local community, with a blend of services that have been able to adapt to local priorities, we are well positioned to strengthen our organisation and we emerge from Covid-19 and continue to serve the women of Liverpool and the local community.

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Trustees' Annual Report [Continued] Year ended 31 July 2021

Financial review

The trustees' financial responsibilities include the solvency of the organisation, safeguarding the assets of the organisation and approving the annual budget to set financial objectives, which are quantifiable targets against which we can measure achievement. To assist us in achieving these objectives monthly management accounts are produced and discussed at Executive Leadership Team meetings. A formal cycle of reporting of management accounts has been established and includes bi-monthly meetings with both the Finance & Resources Committee and the trustees. The Finance & Resources Committee continually reviews the reporting mechanisms in place to ensure risk management and financial planning is developed and enhances the opportunities of the organisation. The Finance & Resources Committee, under powers delegated to it by the trustees, regulate and control the finances of the organisation.

As the financial impacts of Covid-19 continued past July 2020 with implementation of Tier restrictions, two further lockdowns and continued restrictions throughout 2021, we have increased the frequency of meetings and reporting to the Finance, Audit and Risk Committee in order to ensure that we managed and mitigated the continued risks due to the pandemic.

- Engaged more frequently with our bankers Natwest and Lenders, First Ark to ensure they were fully aware of the impacts of Covid and our response and actions
- Enhanced cashflow management and reporting to review weekly along with extend forecasting
- Instigated finance repayment holidays for loan and lease repayments
- Accessed HMRC PAYE/NI and VAT payment deferral scheme, agreeing repayment plans with HMRC
- Accessed the Government Coronavirus Job Retention Scheme including the flexible furlough scheme to tailor staffing needs to income levels where possible.
- Worked with our insurers to submit business interruption insurance claim for lost income during lockdown periods.
- Accessed Local Authority Grant funding to support Hospitality and Leisure lockdowns
- Worked with our existing funders to agree certainty and draw down of funds
- Successfully applied for support grants with strategic partners to access vital funding during periods of income restrictions.

Our Financial Performance has been significantly impacted by our inability to trade through multiple national lockdowns during our financial year ending 2021. Our principal trading income was down by 36% against pre-pandemic levels and this reflects the impact across all of our social enterprise business areas as we were unable to access the physical space in the building to generate income.

Working closely with the trustees and carrying out the actions within the Finance Contingency Plan enabled the organisation to navigate through these challenging times. In utilising the furlough scheme, accessing grants, working with strategic partners and carefully managing cashflow, we mitigated the losses and during the financial year to 2020/21 are reporting an operating deficit of £45,373 (before depreciation and endowment release).

We continue to review our strategic plans in light of Covid-19 and the longer-term impacts on our trading ability, focusing on sustainability and mission. The financial projections for 2021/22 and 2022/23 have been prepared, taking into account the impact of Covid-19 and the opportunities to strengthen our offer through strategic partnerships developed at the start of the Covid-19 pandemic. They reflect our ability to adapt to the landscape in a strong and progressive manner in support of our learners and community. The trustees are confident that we have an ongoing viable business model, and they remain optimistic about the future and our ability to navigate the short-term challenges and trade back up to sustainable levels in the longer term.

BLACKBURNE HOUSE

Trustees' Annual Report [Continued]
Year ended 31 July 2021

Remuneration of key management personnel

The trustees consider the Chief Executive and the Senior Management Team to be the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

It is the charity's policy to pay staff at rates reflecting the local market and in line with similar organisations.

Reserves policy

The organisation's reserve policy has been reviewed in line with guidance from the Charity Commission. It is the policy of the organisation to maintain unrestricted funds, which are the free reserves of the organisation at a level, which equates to three months liquidity requirements. The trustees have reviewed the value of reserves required and have set the desired value of the reserves at £150,000 (2020 £150,000) to reflect current level of overheads as the business grows. This provides sufficient funds to cover management, administration and support costs for the development of our principal activities to enable us to provide a high-quality service to our stakeholders.

The organisation has not been able to achieve a surplus this year to improve the reserves position but is committed to continual improvement to reverse the negative reserves in future years. The trustees recognise that our negative unrestricted reserves position reflects the fact that we are a trading business rather than grant funded. We have invested our traded income into jobs, services and strategic aims consistently over our many years in existence, responding to our communities needs and adapting to strengthen our social impact and services. The trustees continue to monitor the situation and have reviewed and agreed the strategy and priorities that align to this objective as we move forward.

Risk policy

The trustees are responsible for overseeing the risks faced by the organisation. Detailed considerations of risks are delegated to the Senior Management Team. Risks are identified and controls established throughout the year. All significant activities undertaken are subject to a risk review. Systems have been established to mitigate the risks and the Senior Management Team regularly reviews the risks and takes any action identified.

Investment powers and restrictions

Under the Memorandum and Articles of Association, the charity has the power, to invest or deposit funds in any manner only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.

The trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy, do not consider it necessary to invest in a portfolio of investments, but instead have operated a policy of keeping available funds in an interest-bearing deposit account and seek to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail price index.

Invested funds are held on deposit in a high interest savings account for use as and when necessary.

Environmental policy

The Board of Trustees and senior managers of Blackburne House are committed to the objectives of sustainable development and to achieving environmental best practice through all business activities, wherever practical to do so. We accept an active and practical leadership in respect of environmental management is a business function and that a concerted approach must be adopted to prevent pollution minimise waste and achieve continual improvement in environmental performance.

BLACKBURNES HOUSE

Trustees' Annual Report [Continued] Year ended 31 July 2021

Blackburne House is committed to a structured approach to the management of its activities, ensuring it complies with or exceeds applicable environmental legal requirements and all other relevant requirements and recognised best practices which are related to our environmental aspects.

Structure, governance and management

Governing document

Blackburne House is a charitable company limited by guarantee (No. 2674432), incorporated in England on 30 December 1991 and registered as a charity (No. 1010546) on 15 April 1992. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. On winding up of the company each member will contribute £1.

Organisation

Each of the organisation's business areas and social enterprises has been organised to support our learners they financially contribute to and facilitate the growth and development of the organisation's resources.

The Board of Trustees administer the charity. The Board meets bi-monthly and there are sub-committees covering Finance & Resources and Education & Quality.

A Chief Executive (CEO) is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and to provide strategic direction for Blackburne House ensuring that its policies, systems, products and services are continually focused on achieving the organisation's mission, including social, environmental and commercial objectives. The CEO leads business planning for all aspects of the service provision ensuring it fits with the strategic direction, local priorities and to champion high performance in line with the organisations values to ensure the sustainability of the group.

Blackburne House runs a number of award-winning social enterprises and currently holds a National Social Enterprise Mark which recognises that our businesses are values based and committed to having a positive social and environmental impact on the communities we serve.

The Management Team

Day to day management of the charity is delegated to the senior managers. The current team is:-

A McColl - Chief Executive
A Rushton - Director of Operations
H Byrne - Financial Controller

Trustee appointment, induction and training

The Board adopt a strategic approach to trustee recruitment and when appropriate all vacancies are advertised within the community to attract trustees to serve on its board and also invite trustees to nominate prior to the AGM.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM. When considering co-opting trustees, the Board has regard to the requirements for any specialist skillset and competency needed that would enhance the organisation's ability to deliver on its strategic goals. Board members come from a variety of backgrounds, and it is this variety that adds value to the organisation. However, we recognise that our expectations are high and the demands we place on the Board are considerable, therefore we feel that it is important to support all Board Members with the training and development they need to complement and supplement their current skills and competencies.

BLACKBURNE HOUSE

Trustees' Annual Report [Continued] Year ended 31 July 2021

The induction programme aims to give the new member an understanding of the work of Blackburne House Education and to help recognise how they can make a significant contribution to the organisation during their term of office. New trustees undergo an orientation programme to brief them on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the committee and decision-making processes and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events and internal training and briefings where these will facilitate the undertaking of their role.

Related Charities

Blackburne House is related to Women's Technology Training Limited by virtue of common directors, influence and shared resources.

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' statement of disclosure of information to the auditors

Each of the persons who is a trustee at the date of approval of this report confirm in so far as they are aware:-

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BLACKBURNE HOUSE

Trustees' Annual Report [Continued] Year ended 31 July 2021

Auditors

A resolution for the re-appointment of Mitchell Charlesworth LLP will be proposed at the forthcoming Annual General Meeting.

Approval

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein in our capacity as company directors.

Registered office:
Blackburne House
Blackburne Place
Off Hope Street
Liverpool L8 7PE

SIGNED BY ORDER OF THE TRUSTEES



Helen Byrne
COMPANY SECRETARY

Approved by the trustees on 5 April 2022

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

BLACKBURNE HOUSE

Independent Auditor's Report to the Members of Blackburne House for the year ended 31 July 2021

Opinion

We have audited the financial statements of Blackburne House (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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.

Material uncertainty related to going concern

We draw attention to note 1(q) in the financial statements, which highlights the fact that there is a net current liability position of £378,288 and a deficit on unrestricted funds of £407,341. Whilst these conditions indicate that a material uncertainty exists that may cast doubt on the charitable company's ability to continue as a going concern, note 1(q) provides a full explanation of the circumstances surrounding this. Our opinion is not qualified in respect of this matter.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

BLACKBURNE HOUSE

**Independent Auditor's Report to the Members of
Blackburne House
for the year ended 31 July 2021 [Continued]**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

BLACKBURNE HOUSE

Independent Auditor's Report to the Members of Blackburne House for the year ended 31 July 2021 [Continued]

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

BLACKBURNE HOUSE

Independent Auditor's Report to the Members of Blackburne House for the year ended 31 July 2021 [Continued]

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policies for revenue recognition, and (iii) the overstatement of salary and other costs. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body .

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included Safeguarding, Data Protection and food hygiene regulations.

Audit response to risks identified

As a result of performing the above, we identified the presentation of the charitable company's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

BLACKBURNE HOUSE

Independent Auditor's Report to the Members of Blackburne House for the year ended 31 July 2021 [Continued]

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Mr Philip Griffiths

Senior Statutory Auditor

26 April 2022

On behalf of Mitchell Charlesworth LLP

Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

BLACKBURNE HOUSE

Statement of Financial Activities Year ended 31 July 2021

Income from:	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations and legacies	2	145,841	-	-	145,841	166,440
Charitable activities	3	746,871	75,994	-	822,865	783,241
Investments	4	6	-	-	6	9
Total income		892,718	75,994	-	968,712	949,690
Expenditure on:						
Charitable activities	5	(951,652)	(100,800)	(38,057)	(1,090,509)	(1,070,494)
Total expenditure		(951,652)	(100,800)	(38,057)	(1,090,509)	(1,070,494)
Net expenditure for the year	10	(58,934)	(24,806)	(38,057)	(121,797)	(120,804)
Total funds brought forward		(348,407)	2,261,175	2,752,818	4,665,586	4,786,390
Total funds carried forward		(407,341)	2,236,369	2,714,761	4,543,789	4,665,586

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 25 to 38 form part of these financial statements.

BLACKBURNE HOUSE

Statement of Financial Activities [Continued] Year ended 31 July 2021

Comparative information for the year ended 31 July 2020

Income from:	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Donations and legacies	2	166,440	-	-	166,440	721
Charitable activities	3	783,241	-	-	783,241	1,420,828
Investments	4	9	-	-	9	4
Total income		<u>949,690</u>	<u>-</u>	<u>-</u>	<u>949,690</u>	<u>1,421,553</u>
Expenditure on:						
Charitable activities	5	<u>(1,007,731)</u>	<u>(24,706)</u>	<u>(38,057)</u>	<u>(1,070,494)</u>	<u>1,285,712</u>
Total expenditure		<u>(1,007,731)</u>	<u>(24,706)</u>	<u>(38,057)</u>	<u>(1,070,494)</u>	<u>1,285,712</u>
Net (expenditure)/income for the year	10	(58,041)	(24,706)	(38,057)	(120,804)	135,841
Total funds brought forward		<u>(290,366)</u>	<u>2,285,881</u>	<u>2,790,875</u>	<u>4,786,390</u>	<u>4,650,549</u>
Total funds carried forward		<u><u>(348,407)</u></u>	<u><u>2,261,175</u></u>	<u><u>2,752,818</u></u>	<u><u>4,665,586</u></u>	<u><u>4,786,390</u></u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 25 to 38 form part of these financial statements.

BLACKBURNE HOUSE

Summary Income and Expenditure Account Year ended 31 July 2021

		2021	2020
	Notes	£	£
Income		968,706	949,681
Interest and investment income	4	<u>6</u>	<u>9</u>
Gross income		968,712	949,690
Expenditure		1,006,986	986,748
Interest payable		7,099	4,300
Depreciation		<u>38,367</u>	<u>41,389</u>
Total expenditure		<u>1,052,452</u>	<u>1,032,437</u>
Net (expenditure)/income		<u><u>(83,740)</u></u>	<u><u>(82,747)</u></u>

All of the activities of the charity are classed as continuing.

The notes on pages 25 to 38 form part of these financial statements.

BLACKBURNE HOUSE

Balance Sheet 31st July 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		5,035,386		5,063,667
Current assets					
Stocks	15	4,570		3,243	
Debtors	16	76,741		91,178	
Cash at bank and in hand		54,383		88,502	
		135,694		182,923	
Creditors: Amounts falling due within one year	17	<u>(513,982)</u>		<u>(476,366)</u>	
Net current liabilities			<u>(378,288)</u>		<u>(293,443)</u>
Total assets less current liabilities			4,657,098		4,770,224
Creditors: Amounts falling due after more than one year	18		<u>(113,309)</u>		<u>(104,638)</u>
Net assets			4,543,789		4,665,586
The funds of the Charity					
Endowment	21		2,714,761		2,752,818
Restricted	22		2,236,369		2,261,175
Unrestricted	23		<u>(407,341)</u>		<u>(348,407)</u>
Total funds	24		<u>4,543,789</u>		<u>4,665,586</u>

These financial statements were approved by the trustees and authorised for issue on 5 April 2022 and are signed on their behalf by:



.....
Sally-Anne Watkiss
Trustee

Company Registration Number: 2674432

The notes on pages 25 to 38 form part of these financial statements.

BLACKBURNE HOUSE

Statement of Cash Flows Year ended 31 July 2021

	2021		2020	
	£	£	£	£
Cash flow from operating activities				
Cash generated from operations		9,700		28,433
Cash flow from investing activities				
Payments to acquire tangible fixed assets	(13,609)		(7,583)	
Proceeds of disposal of tangible fixed assets	-		5,768	
Investment income received	6		9	
	<u>6</u>		<u>9</u>	
Net cash flow from investing activities		<u>(13,603)</u>		<u>(1,806)</u>
		(3,903)		26,627
Cash flow from financing activities				
New borrowings	-		50,000	
Repayment of loans	(17,937)		(13,169)	
Payment of obligations under finance leases	(5,180)		-	
Interest paid	(7,099)		(4,300)	
	<u>(7,099)</u>		<u>(4,300)</u>	
Net cash flow from financing activities		<u>(30,216)</u>		<u>32,531</u>
Net increase/(decrease) in cash and cash equivalents		(34,119)		59,158
Cash and cash equivalents at 1 August 2020		<u>88,502</u>		<u>29,344</u>
Cash and cash equivalents as at 31 July 2021		<u><u>54,383</u></u>		<u><u>88,502</u></u>

The notes on pages 25 to 38 form part of these financial statements.

BLACKBURNE HOUSE

Notes to the Financial Statements Year ended 31 July 2021

1. Summary of accounting policies

(a) General information and basis of preparation

Blackburne House is a company limited by guarantee and a registered charity incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Report on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

The property fund is treated as a permanent endowment on the basis that the original building is not owned by the charity and the building alterations that have been carried out form a capital fund with which the charity has now power to convert the capital into income.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

1. Summary of accounting policies [Continued]

(c) Income recognition [Continued]

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to special performance conditions and is recognised as earned as the related services are provided. Grant income included in this category provides funding to support performance activities and is recognised when there is entitlement, certainty of receipt and the amounts can be measured with sufficient reliability.

Investment income is earned through holding assets for investment purposes such as bank deposits. It essentially includes interest which is recognised using the effective interest method.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes costs associated with the charity including support costs as appropriate.
- Other expenditure represents those items not falling into the category above.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the charity's registered office. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

(f) Capital grants

Grants received to cover the cost of building alterations and fixtures and fittings are included as restricted income and will be credited to the Statement of Financial Activities on a basis consistent with the depreciation policy.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Capital expenditure on equipment is written off in the period in which it is incurred if purchased from grant income. Individual assets are capitalised on the balance sheet where their cost exceeds £100.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

1. Summary of accounting policies [Continued]

(g) Tangible fixed assets [Continued]

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Building alterations & additions	1 - 10% per annum
Computers	10 - 33% per annum
Fixtures & fittings	10 - 20% per annum
Equipment	10 - 20% per annum

Whilst historically building alterations have been depreciated at 1%, additions are not considered to have the same life and so are depreciated over 10 years.

(h) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other cost incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(k) Financial instruments

The charity 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 charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors 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.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

1. Summary of accounting policies [Continued]

(k) Financial instruments [Continued]

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

(l) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(m) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(n) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(o) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

1. Summary of accounting policies [Continued]

(p) VAT

The charity is partially exempt for VAT purposes. VAT for partial exemption which is not allowed in the year is written off to the Statement of Financial Activities.

(q) Going concern

The financial statements have been prepared on a going concern basis as the future outlook reflects the opportunities that have arisen as a result of our ability to support the communities we serve as we emerge from Covid19. Whilst the Trustees acknowledge the net current liabilities position of £378,288 is a challenging basis on which to enter into post Covid19 recovery, we are confident that our core business can respond to the transitioning period, bolstered by our embedded social impacts in action.

Our day to day activities that provide much needed services in support of our charitable aims to educate women and drive social and economic advancement have emerged as more valuable than previously recognised. During this pandemic, we have strengthened our work within our community as we are directly aligned to those who need us most. We are able to provide responsive and bespoke support to women, families and the BAME community that are impactful and immediate and funders are investing in organisations that are delivering social value through their day to day trading operations, activities and interventions, rather than through one off projects.

Funders have seen the value of organisations working with particular communities during Covid-19. We are rooted in the local community and have access to people who have been disadvantaged through this pandemic. Our learners and employees, a high proportion of which are women, part of the BAME community and those who experience social deprivation are even more at risk of mental ill health and cultural inequalities. Blackburne House have responded at speed with interventions that reach those people most in need and provided funders with the networks and reach to make a difference. We have successfully contracted to provide that support post Covid19 and we anticipate this will translate into long term, substantial contracts with significant interventions.

The trustees have reviewed the plans and consider that the budgeted income and expenditure is sufficient for the charity to be able to continue as a going concern and remain confident that core business is sustainable in the long term.

2. Income from donations and legacies	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Donations	890	-	-	890	645
Grants receivable	144,951	-	-	144,951	165,795
	145,841	-	-	145,841	166,440

All of the above income in 2020 was attributable to unrestricted funds.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued]

Year ended 31 July 2021

3. Income from charitable activities	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Nursery income	323,627	-	-	323,627	256,085
Health Place income	-	-	-	-	25,054
Café Bar income	78,871	-	-	78,871	163,355
Rent receivable	43,137	-	-	43,137	161,983
Project and business development	750	-	-	750	5,043
Events	17,479	-	-	17,479	61,092
Car park income	6,584	-	-	6,584	10,945
Post and photocopying	-	-	-	-	10,837
Meeting House café	-	-	-	-	43,441
Other	531	-	-	531	3,275
Liverpool City Council - Headstrong Programme	-	-	-	-	15,000
Steve Morgan Foundation	26,732	-	-	26,732	24,131
Add: Deferred income released	-	-	-	-	3,000
Clatterbridge café	142,308	-	-	142,308	-
National Lottery	-	75,994	-	75,994	-
Social Enterprise Support Fund	97,602	-	-	97,602	-
Social Investment Business Growth Fund	9,250	-	-	9,250	-
	<u>746,871</u>	<u>75,994</u>	<u>-</u>	<u>822,865</u>	<u>783,241</u>

All of the above income in 2020 was attributable to unrestricted funds.

4. Income from investments	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Interest received on cash deposits	6	-	-	6	9
	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>9</u>

All of the above income in 2020 was attributable to unrestricted funds.

5. Analysis of expenditure on charitable activities	Activities undertaken directly £	Support costs £	Total 2021 £	Total 2020 £
Nursery	257,022	62,878	319,900	311,221
Health Place	643	-	643	29,403
Cafe	141,769	24,177	165,946	297,163
Meeting House	-	-	-	76,656
Events	64,194	5,373	69,567	102,909
Projects and Business Development	63,760	236	63,996	19,780
Building management	117,961	158,906	276,867	233,362
Clatterbridge café	149,959	43,631	193,590	-
	<u>795,308</u>	<u>295,201</u>	<u>1,090,509</u>	<u>1,070,494</u>

Of the above costs £951,652 (2020 £1,007,731) were attributable to unrestricted funds, £100,800 (2020 £24,706) were attributable to restricted funds, and £38,057 (2020 £38,057) were attributable to endowment funds.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

6. Allocation of support costs	2021	2020
	£	£
Management salaries	61,758	40,306
Premises costs	105,754	100,665
Office costs	21,359	40,165
Depreciation	76,424	79,446
Professional	2,558	26,876
Other	21,553	9,933
Governance costs (see note 7)	5,795	6,633
	<u>295,201</u>	<u>304,024</u>
7. Governance costs	2021	2020
	£	£
Audit and accountancy fees	5,795	6,633
	<u>5,795</u>	<u>6,633</u>
8. Staff costs and employee benefits	2021	2020
	£	£
The aggregate payroll costs were:		
Wages and salaries	642,455	657,146
Social security costs	40,382	35,255
Other pension costs	16,191	15,231
	<u>699,028</u>	<u>707,632</u>
Recharged salaries	(33,600)	(36,297)
	<u>665,428</u>	<u>671,335</u>
	2021	2020
	£	£
Particulars of employees:		
The average number of staff employed by the Charity during the financial year amounted to:	47	49
	<u>47</u>	<u>49</u>
There are no employees with emoluments above £60,000.		

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

9. Trustees' and key management personnel remuneration and expenses

No remuneration was paid to the trustees during the year for their services as trustees (2020 £Nil) nor were any expenses reimbursed (2020 £Nil).

The total amount of employee remuneration received by key management personnel is £57,186 (2020 £57,583).

The charity considers its key management personnel to comprise the Executive Director of Operations.

10. Net income/(expenditure) for the year	2021 £	2020 £
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This is stated after charging:

Staff pension contributions	16,191	15,231
Depreciation	76,424	79,446
Auditors' remuneration - as auditors	5,795	5,460

11. Auditor's remuneration	2021 £	2020 £
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Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,795	5,460
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12. Taxation

The company is exempt from corporation tax on its charitable activities.

13. Interest payable and similar expenses	2021 £	2020 £
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Other loans	5,394	4,300
Finance charge payable under finance leases	1,705	-
	<u>7,099</u>	<u>4,300</u>

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

14. Tangible fixed assets	Building Alterations £	Equipment £	Fixtures & Fittings £	Computers £	Total £
Cost					
At 1 August 2020	6,139,422	224,186	270,518	58,468	6,692,594
Additions	-	37,661	10,482	-	48,143
At 31 July 2021	6,139,422	261,847	281,000	58,468	6,740,737
Depreciation					
At 1 August 2020	1,116,314	205,470	248,675	58,468	1,628,927
Charge for the year	67,852	5,759	2,813	-	76,424
At 31 July 2021	1,184,166	211,229	251,488	58,468	1,705,351
Net book value					
At 31 July 2021	4,955,256	50,618	29,512	-	5,035,386
At 31 July 2020	5,023,108	18,716	21,843	-	5,063,667

Included in the net book value of equipment is £34,534 (2020 - £Nil) in respect of assets held under finance leases.

In accordance with the accounting policy, these assets were not depreciated in the current year.

15. Stocks	2021 £	2020 £
Goods for resale	4,570	3,243
16. Debtors	2021 £	2020 £
Trade debtors	28,645	27,611
Prepayments	29,816	15,674
Other debtors	18,280	47,893
	76,741	91,178
17. Creditors: Amounts falling due within one year	2021 £	2020 £
Obligations under finance leases	6,907	-
First Ark loan	16,939	22,075
Bounce Back loan	3,331	2,355
Trade creditors	99,613	63,627
Social security and other taxes	32,619	59,621
Other creditors	320,606	304,519
Accruals and deferred income	33,967	24,169
	513,982	476,366

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

18. Creditors: Amounts falling due after more than one year	2021	2020
	£	£
Obligations under finance leases	22,447	-
First Ark loan	44,192	56,992
Bounce Back loan	46,670	47,646
	<u>113,309</u>	<u>104,638</u>

The finance leases are secured against the assets acquired.

On 29 March 2018 First Ark advanced the charity £120,000 repayable in monthly instalments over 6 years at a rate of interest of 8.5%.

On 20 May 2020, National Westminster Bank plc advanced the charity £50,000 under the Coronavirus Bounce Back Loan Scheme (BBLS) originally repayable over 6 years but extended to 10 years on 4 June 2021, with an interest rate of 2.5% per annum.

19. Loans and overdrafts

Creditors include loans which are due to be repaid as follows:	2021	2020
	£	£
Amounts payable:		
In one year or less or on demand	20,270	24,430
In more than one year but no more than two years	32,341	35,674
In more than two years but not more than five years	33,044	61,060
Over five years and payable by instalments	25,477	7,904
	<u>111,132</u>	<u>129,068</u>

20. Leases

Finance leases

Finance leases primarily relate to the purchase of kitchen equipment.

Total future minimum lease payments are as follows:	2021	2020
	£	£
Not later than one year	6,907	-
Later than one and not later than five years	22,447	-
	<u>29,354</u>	<u>-</u>

Assets other than land and buildings

At 31 July 2021 the charity had future total commitments under non-cancellable operating leases as follows:	2021	2020
	£	£
Within one year	16,529	10,912
Between two and five years	45,967	8,108
	<u>62,496</u>	<u>19,020</u>

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

21. Endowment funds	As at 1 August 2020 £	Income £	Expenditure £	Transfer between funds £	As at 31 July 2021 £
Permanent endowments:					
Property fund	2,752,818	-	(38,057)	-	2,714,761

Comparative information in respect of the preceding period is as follows:

	As at 1 August 2019 £	Income £	Expenditure £	Transfer between funds £	As at 31 July 2020 £
Permanent endowments:					
Property fund	2,790,875	-	(38,057)	-	2,752,818

22. Restricted funds	As at 1 August 2020 £	Income £	Expenditure £	Transfer between funds £	As at 31 July 2021 £
Liverpool City Council Nursery capital	2,480	-	(663)	-	1,817
Liverpool City Region - Single Investment Fund (Capital Investment)	2,258,695	-	(24,143)	-	2,234,552
National Lottery	-	75,994	(75,994)	-	-
	2,261,175	75,994	(100,800)	-	2,236,369

Comparative information in respect of the preceding period is as follows:

Restricted funds	As at 1 August 2019 £	Income £	Expenditure £	Transfer between funds £	As at 31 July 2020 £
Liverpool City Council Nursery capital	3,043	-	(563)	-	2,480
Liverpool City Region - Single Investment Fund (Capital Investment)	2,282,838	-	(24,143)	-	2,258,695
	2,285,881	-	(24,706)	-	2,261,175

The restricted fund balances relate to specific projects and events run by the charity and are recorded as restricted in accordance with the conditions of the grant.

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

23. Unrestricted funds	As at 1 August 2020 £	Income £	Expenditure £	Transfer between funds £	As at 31 July 2021 £
General fund	(348,407)	892,718	(951,652)	-	(407,341)

Comparative information in respect of the preceding period is as follows:

	As at 1 August 2019 £	Income £	Expenditure £	Transfer between funds £	As at 31 July 2020 £
General fund	(290,366)	949,690	(1,007,731)	-	(348,407)

24. Analysis of net assets between funds

	Tangible fixed assets £	Net current liabilities £	Creditors due after one year £	Total £
Endowment fund	2,714,761	-	-	2,714,761
Restricted fund	2,236,369	-	-	2,236,369
Unrestricted funds	84,256	(378,288)	(113,309)	(407,341)
	5,035,386	(378,288)	(113,309)	4,543,789

Comparative information in respect of the preceding period is as follows:

	Tangible fixed assets £	Net current liabilities £	Creditors due after one year £	Total £
Endowment fund	2,752,818	-	-	2,752,818
Restricted fund	2,261,175	-	-	2,261,175
Unrestricted funds	49,674	(293,443)	(104,638)	(348,407)
	5,063,667	(293,443)	(104,638)	4,665,586

BLACKBURNES HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

25. Related party transactions

Blackburne House is related to Women's Technology Training Limited by virtue of common directors and influence. Both these charities operate from the same Registered Office. During the year Blackburne House charged Women's Technology Training Limited £18,157 for rent and services (2020 £136,194), £34,040 for childcare and related allowances (2020 £5,462) and £132,084 for other administration and project costs (2020 £117,129). During the year Women's Technology Training Limited charged Blackburne House £988 (2020 £823) for administration costs.

The above exclude VAT on vatable items.

At the year-end Blackburne House owed Women's Technology Training Limited £312,215 (2021 £214,052).

Included in creditors is a loan from Women's Technology Training Limited for £58,710 (2020 £58,710) which is due to be repaid as agreed by the trustees.

26. Pension scheme contributions

The charity operates a defined contributions pension scheme for its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the defined contribution scheme which amounted to £16,191 (2020 £15,231).

27. Deferred income	Under 1 year £	2021 £	2020 £
At 1 August 2020	3,750	3,750	6,750
Additions	10,518	10,518	-
Amounts released to income	-	-	(3,000)
	<hr/>	<hr/>	<hr/>
At 31 July 2021	14,268	14,268	3,750
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Income has been deferred when it is received in advance of the period to which it relates or where performance of the activities to which it relates have not yet been undertaken.

28. Company limited by guarantee

The company is limited by guarantee and has no share capital.

On winding up of the company each member will contribute £1.

29. Capital commitments

There are no capital commitments as at 31st July 2021 (2020 £Nil).

BLACKBURNE HOUSE

Notes to the Financial Statements [Continued] Year ended 31 July 2021

30. Reconciliation of net (expenditure) to net cash flow from operating activities

	£	£
Net (expenditure)/income for the year	(121,797)	(120,804)
Interest receivable	(6)	(9)
Interest payable	7,099	4,300
Depreciation of tangible fixed assets	76,424	79,446
Decrease/(increase) in stock	(1,327)	2,093
(Increase)/decrease in debtors	14,437	(24,337)
Increase in creditors	34,870	87,744
	<u>9,700</u>	<u>28,433</u>
Net cash flow from operating activities	9,700	28,433
	<u>9,700</u>	<u>28,433</u>
Cash and cash equivalent consists of:		
Cash at bank	48,250	85,335
Cash in hand	6,133	3,167
	<u>54,383</u>	<u>88,502</u>
	<u>54,383</u>	<u>88,502</u>

31. Analysis of changes in net debt

	Balance at 1st August 2020 £	Cashflows £	Non-cash Changes £	Balance at 31st July 2021 £
Long term borrowings	104,638	-	(13,777)	90,861
Short term borrowings	24,430	(17,936)	13,777	20,271
Obligations under finance leases	-	(5,180)	34,534	29,354
	<u>129,068</u>	<u>(23,116)</u>	<u>34,534</u>	<u>140,486</u>
Total liabilities	129,068	(23,116)	34,534	140,486
Cash and cash equivalent	(88,502)	34,119	-	(54,383)
	<u>40,566</u>	<u>11,003</u>	<u>34,534</u>	<u>86,103</u>
Total net debt	40,566	11,003	34,534	86,103
	<u>40,566</u>	<u>11,003</u>	<u>34,534</u>	<u>86,103</u>