

REGISTERED COMPANY NUMBER: 02645699 (England and Wales)
REGISTERED CHARITY NUMBER: 1010563

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
JESMOND COMMUNITY LEISURE**

Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
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NE2 1TJ

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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JESMOND COMMUNITY LEISURE

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

TRUSTEES	Mr K Butcher Mr C J L Clarke (resigned 27.9.20) Ms D Easton Ms A Hames Mr M F Hunt Mr S G Leach Mr M D Miller Mr P A Rea (resigned 4.6.20) Mr J B Thompson Dr K Steele (appointed 27.9.20)
COMPANY SECRETARY	Ms A Hames
REGISTERED OFFICE	Jesmond Pool St Georges Terrace Jesmond Newcastle Upon Tyne Tyne and Wear NE2 2DL
REGISTERED COMPANY NUMBER	02645699 (England and Wales)
REGISTERED CHARITY NUMBER	1010563
AUDITORS	Robson Laidler Accountants Limited Statutory Auditor Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ
BANKERS	Barclays Bank Plc 59 High Street Gosforth Newcastle upon Tyne NE3 4AA
SOLICITORS	Womble Bond Dickinson St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The charitable company changed its name to Jesmond Community Leisure on 23rd February 2011. The company continues to be known under the name Jesmond Pool and Gym. The project supports and voluntarily complies with the Charter of Integrity of the Sports and Recreation Trusts Association. Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Objectives and aims

a. Policies, objectives and strategies for achieving those objectives

In setting objectives and planning for activities, the Trustees and Members have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The core objectives, along with the chosen strategies, are summarised below and provide evidence of Public Benefit. The Trustees also produce an annual report that gives more detail on these objectives and is provided at the AGM. The Trustees are satisfied that they have achieved the objectives set and have made a significant improvement to the lives of people and organisations supported by our operations.

The overall objects of the company were refined during 2019, with the Mission Statement, Values and Objectives revised in October 2019 as follows:

Our mission

- Promoting health and wellbeing in our community through the provision of swimming and other leisure and fitness related activities.

Our values

- Belief in the power of sport and leisure related activities to benefit all members of our community, regardless of their state of health or disability.
- Belief in the ability of local community resources to meet local needs.

Our objectives

1. To meet the swimming and leisure related needs of all groups in the local and wider community

- Be recognised as a centre of excellence for community leisure activities;
- Constantly review the programme, to ensure that the needs of all groups are being met;
- Help customers identify which activities will best meet their individual needs;
- Take into consideration customer feedback and community concerns;
- Network with other similar projects across the country, learn from them and in return assist them whenever we can.

2. To secure the long-term future of the project by maintaining its financial viability

- Operate in a way that meets Charity Commission and Companies House regulatory requirements, including taking expert advice when required;
- Employ rigorous financial controls and management systems;
- Use regular budgetary controls, cash flow and pricing reviews;
- Have a Trustee working group for financial matters.

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

3. To ensure we retain local support, through a strong sense of community interaction

- Be open and accountable in operating the Pool on behalf of local people, through communication with our community
- Keep local people aware of the operation and updated on the Pool's progress, and attend community events
- Provide a programme that reflects customer demand
- Have a Trustee working group for communication matters

4. To maintain and develop the building, at least in line with lease requirements

- Enhance and developing the building as funds allow
- Have a Trustee working group for building matters

5. To provide a working environment that values and develops all of its people to ensure business success, whilst being inclusive and participative

- Recruit, train and retain motivated, highly qualified, flexible and empowered staff
- Encourage full time staff participation in the running and success of the company
- Operate the building and activities, following current industry and best practice guidelines;
- Offer high quality training and support to all operational volunteers, enabling them to progress in the leisure industry at Jesmond Pool & Gym or elsewhere;
- Have a Trustee working group for personnel matters.

6. To reduce our environmental impact

- Use and operate the building in a way which minimises our effect on the environment;
- Maximise our energy efficiency, and identify and reduce our carbon footprint;
- Encourage users to walk, cycle or use nearby public transport to reach the pool.

b. Activities for achieving objectives

We provide swimming facilities, two gyms, classes, exercise and other sports and activities capable of improving physical health, fitness and wellbeing.

We actively promote our services to local and wider communities and encourage take-up from different minority groups.

We actively target the older population by providing additional facilities to encourage participation and target involvement as a means of encouraging older people to be active as a lifestyle choice.

c. Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision. We estimate that over 310 volunteer hours were provided during the year, of which approximately 20% related to essential work, and the remainder enhancing the quality of service offered by the Jesmond Pool & Gym. We developed 36 new lifeguards during 2020 (mostly young people) and we offered them practical work experience which they struggled to find elsewhere. We continue to work with The Prince's Trust by accepting young volunteers to work on our reception.

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

Achievement and performance

Charitable activities

Objective 1: to meet the swimming and leisure needs of all groups in the local and wider community

We endeavour to offer a programme of activities to suit the needs of all our customers. We have kept our swimming timetable as accessible as possible, recognising the differing needs of adults and children, in times and in style of activity. There are slots in our timetable for babies through to older people, with instruction available for all. Holiday programmes also recognise these needs.

Activities in the fitness suites recognise differing needs by offering classes for teenagers and older people, or those on GP referrals. The basement and pool side fitness suites each have a slightly different ambience and range of equipment, providing an extra degree of choice for the increasing number of customers using fitness equipment. We have found this variety of environment and equipment popular with users and we are more able to cope with larger numbers.

The upstairs studio is used by all ages and by groups ranging from baby massage classes, through to children's parties, and a full range of exercise and fitness classes.

We know that the majority of our users are local, but we also draw support from a wide area. Our impact on other similar bodies throughout the UK remains positive, and we continue to offer advice and support to many organisations on operational management and social accounting.

Objective 2: to secure the long-term future of the Project by maintaining its financial viability

Our financial performance is monitored by the finance group, which meets every month and reports back to the Trustees. Monthly P&L reports against budget (or reforecast) are prepared and investigated to ensure we are up to date with financial performance.

In March 2020, whilst preparing for the first national lockdown, the charity went through a reforecast exercise, anticipating a number of months with the building closed and limited income. P&L and cashflow forecasting was updated, and all available options for government and grant support funding explored.

Objective 3: to ensure that we retain local support, through a strong sense of community interaction

We network with as many community groups as possible, through our staff and Trustees, and maintain an ongoing dialogue with users, through the staff and customer comments.

We had to suspend our live customer focus groups during lockdown. We have developed the use of social media especially Facebook, and have seen growth to over 1,000 followers. Our communication platforms and website have been extremely well used through lockdown and allowed the dissemination of information about our online offerings. In the past year we have initiated a newsletter which is sent out at approximately monthly intervals. Sign up to the newsletter has been enthusiastic with over 350 recipients registered despite the environment during lockdown. The concept of "friends" of Jesmond Pool & Gym is being expanded to include the opportunity for community volunteering via a Jesmond Pool & Gym Street team once lockdown allows.

Sadly the annual Jesmond Community Festival was cancelled in 2020 but we confirmed our ongoing support for further years. We have contributed actively to the Jesmond Community newsletters throughout lockdown and this has facilitated interactions with other local charities and good causes. We have a Trustee group dealing purely with communications, who advise and direct the organisation in its community interaction.

We support young people from our local community through providing training and volunteering opportunities. Discussion has been ongoing with local GP groups to provide resources for young people with mental health issues via provision of specialised sessions and other activities.

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

Achievement and performance

Objective 4: to maintain and develop the building, at least in line with lease requirements

We far exceed our lease requirements in looking after, and developing the building, as we need to ensure we offer a good service. Since our upgrading of the building in 2003, we have continued to invest in improvements and maintenance, in order to keep the building open and usable.

During spring 2020 there was damage to the roof during high winds, which is undergoing replacement in April 2021. There is an insurance claim to be finalised which will cover the replacement cost, but the board have elected to fully replace the roof which provides a 20 year guarantee.

Objective 5: to provide a working environment that values and develops all of its people, to ensure business success, whilst being inclusive and participative

Our staff remain our focus, and our staff retention levels are admirable, with many members of staff on, or approaching, 30 years' service.

Staff are involved in the management of the business as much as they would like to be, with members on sub groups, and staff participation at strategic planning events.

Training is a constant activity at the pool, with all lifeguards needing to re qualify every 2 years. We also develop staff in other areas to help the business, and their own development. Volunteers continue to be a vital aspect of the pool, and we train and develop local people throughout the year. It is particularly pleasing when local children who have used the pool all of their lives, go on to be lifeguards for us. This has happened on many occasions, and the service benefits greatly from this.

Objective 6: to operate the building and activities, following current industry and best practice guidelines

We ensure that all activities are led by suitably qualified staff and follow sector guidelines. Our procedures are reviewed as part of ongoing training, and we ensure that all staff who need DBS (Disclosure Barring Service) clearance are validated before working for us. We have our RLSS Approved Training Centre status externally reviewed each year. Several of our staff members are members of Leisure Institutes and receive regular updates on industry provision and developments. We also have staff members attending industry seminars and updates as part of their Continuing Professional Development and currency status. We are an active member of Community Leisure, a leading charitable organisation supporting most of the single site trusts in the UK.

Objective 7: to reduce our environmental impact

We had an updated building review by the Carbon Trust in 2018. The report was extremely favourable, and there were no significant issues or recommendations. We have an ongoing focus on reducing energy consumption. We have used a local firm to update our main boiler software which has generated savings on our gas usage. We have also installed water-saving shower heads in all our showers.

Our recycling of plastic water bottles and cardboard is very popular. We are working with our coffee cup providers to see if we can utilise an 'eco cup' to further reduce our impact.

In future we hope to work with Newcastle City Council on the Governments decarbonisation scheme to try and make our building carbon neutral.

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

Financial review

Review of financial results

As a charity, Jesmond Community Leisure is unusual in that the vast majority of its income normally comes directly from its trading activities.

Income generated from charitable activities fees and subscriptions was £378,365 (2019: £723,166) compared to costs of generating those activities of £576,903 (2019: £638,674), giving a deficit on the provision of charitable activities of £198,538 (2019: surplus of £84,492).

Income generated from charitable activities during 2020 was supplemented with donations, grants and furlough scheme payments. This enabled the charity to limit the impact on cash reserves of the periods of closure, whilst retaining staff and continuing to invest where required in the building.

Cashflow absorbed from operating activities amounted to £7,857 (2019: £154,437 generated).

Overall, the charitable company generated a deficit in net incoming resources of £79,559 (2019: £97,915 surplus).

The Trustees consider the results for the year to have been better than expected, and a reflection of the resilience of the operational team and the finances of the charity. Maintaining reserves has enabled the business not only to survive, but to continue planning capital investment.

Reserves policy

The trustees consider that unrestricted reserves should be kept to between £250,000 and £500,000. This allows for the organisation to react to unforeseen circumstances, whilst providing sufficient flexibility to operate on a day-to-day basis and take any appropriate decisions to further Jesmond Pool & Gym's strategic development. The lower value provides for costs in excess of estimated closure costs, plus a 5-year cycle of capital expenditure and equates to 6 months of running costs.

At the end of 2020 unrestricted reserves had reduced slightly to £1,637,754 after providing online classes, paying a core workforce including subcontractors and maintaining and improving the building. The reserves would have been further depleted without the benefit of the furlough scheme, and new sources of income in the form of grants and charitable donations. As a result, this means that capital investments can continue, such as replacing the roof which was damaged in spring 2020.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The trustees continue to monitor the changing situation with regard to Covid-19 and the business risks it presents the charity with. Note has been taken of the measures announced in the Chancellors Budget 2021, particularly the continued support for business through the funding of sick pay. Local grants have been particularly valuable during 2020, and we maintain close links with Newcastle City Council and other sources, to ensure we access all funding available.

Future plans

At the time of preparing these accounts Jesmond Pool & Gym remained closed, but with a timetable to re-open having been announced by the government. The key focus is therefore on re-opening in a way which is safe but also enables the charitable company to meet its key objective of "the provision of swimming facilities for recreation and other leisure time activities for the inhabitants of the local and wider community". Online classes have been an important part of fulfilling that objective and may continue to be part of a new wider provision of services.

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Jesmond Community Leisure is a charitable company limited by guarantee set up by a Memorandum of Association on 13 September 1991 and is a registered charity number 1010563.

The object for which the company is established are the provision of swimming facilities for recreation and other leisure time activities for the inhabitants of the local and wider community in the interests of their social welfare within the meaning of the Recreational Charities Act 1958 and as therein limited and any other ancillary leisure time facilities, and the advancement of education, culture and the arts for the public benefit, including the provision of libraries, cultural activities, learning and information centres and other related services.

Recruitment and appointment of new trustees

The articles of association define the company structure, which includes both members of the company and directors (both of whom are appointed by the Board). There are currently no bodies who are automatically entitled to nominate directors to the Board, and the Board currently has no plans for changing this. New trustees are identified from amongst the customers and supporters of the project, including those attending the annual meeting. When a particular expertise is required (such as the Finance Director), an open recruitment process is followed. All trustees are company directors.

Organisational structure

The Board of Directors is responsible for making all strategic decisions, and normally meets monthly, either in person, or more recently via videoconferencing. Unless particularly sensitive matters are under discussion, Board meetings are open to the public.

During 2020 the Board continued to operate a number of specific working groups, comprising a mixture of trustees, members, and staff, to provide advice on Finance, Building, Personnel, and Communications. These groups report to the Board Meetings.

Day to day management of the activities of the pool and ancillary leisure facilities are delegated to the Operations Manager, who is not a director.

Induction and training of new trustees

A Trustees' Handbook has been drawn up, to assist in advising new trustees and members of their responsibilities.

Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Jesmond Community Leisure for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

JESMOND COMMUNITY LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 25/04/2021 and signed on the board's behalf by:


.....
Mr S G Leach - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

Opinion

We have audited the financial statements of Jesmond Community Leisure (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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.

Our responsibilities for the audit of the financial statements

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

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:

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the charity operate strong internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

Manual journal entries are scrutinised by data analytics software used as part of the audit.

The laws and regulations which are considered to be significant to the entity relate to health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

Use of our report

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

M Moran

Michael Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Date: 8 June 2021

JESMOND COMMUNITY LEISURE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 Unrestricted funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	114,049	3,110
Charitable activities	6		
Swimming and leisure activities		378,365	723,166
Other trading activities	4	6,400	22,571
Investment income	5	4,154	3,151
Total		502,968	751,998
 EXPENDITURE ON			
Raising funds	7	5,624	15,409
Charitable activities	8		
Swimming and leisure activities		576,903	638,674
Total		582,527	654,083
 NET INCOME/(EXPENDITURE)		(79,559)	97,915
 RECONCILIATION OF FUNDS			
Total funds brought forward		1,717,313	1,619,398
 TOTAL FUNDS CARRIED FORWARD		1,637,754	1,717,313

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 Unrestricted funds £	2019 Total funds £
FIXED ASSETS			
Tangible assets	15	1,116,600	1,162,536
CURRENT ASSETS			
Stocks	16	3,108	3,318
Debtors	17	15,185	17,588
Cash at bank and in hand		548,742	583,619
		<u>567,035</u>	<u>604,525</u>
CREDITORS			
Amounts falling due within one year	18	(45,881)	(49,748)
NET CURRENT ASSETS		<u>521,154</u>	<u>554,777</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,637,754</u>	<u>1,717,313</u>
NET ASSETS		<u>1,637,754</u>	<u>1,717,313</u>
FUNDS	19		
Unrestricted funds:			
General fund		521,154	1,717,313
Capital fund		1,116,600	-
		<u>1,637,754</u>	<u>1,717,313</u>
TOTAL FUNDS		<u>1,637,754</u>	<u>1,717,313</u>

9 The financial statements were approved by the Board of Trustees and authorised for issue on 25/04/2021 and were signed on its behalf by:

Mr S G Leach - Trustee

JESMOND COMMUNITY LEISURE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(7,857)</u>	<u>154,437</u>
Net cash (used in)/provided by operating activities		<u>(7,857)</u>	<u>154,437</u>
Cash flows from Investing activities			
Purchase of tangible fixed assets		<u>(31,174)</u>	<u>(101,040)</u>
Interest received		<u>4,154</u>	<u>3,151</u>
Net cash used in investing activities		<u>(27,020)</u>	<u>(97,889)</u>
Change In cash and cash equivalents in the reporting period		<u>(34,877)</u>	<u>56,548</u>
Cash and cash equivalents at the beginning of the reporting period		<u>583,619</u>	<u>527,071</u>
Cash and cash equivalents at the end of the reporting period		<u><u>548,742</u></u>	<u><u>583,619</u></u>

The notes form part of these financial statements

JESMOND COMMUNITY LEISURE

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(79,559)	97,915
Adjustments for:		
Depreciation charges	77,110	58,818
Interest received	(4,154)	(3,151)
Decrease in stocks	210	802
Decrease/(increase) in debtors	2,403	(1,421)
(Decrease)/increase in creditors	(3,867)	1,474
Net cash (used in)/provided by operations	(7,857)	154,437

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	583,619	(34,877)	548,742
	583,619	(34,877)	548,742
Total	583,619	(34,877)	548,742

The notes form part of these financial statements

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. COMPANY STATUS

Jesmond Community Leisure is a private company limited by guarantee, incorporated in England and Wales, (company number: 02645699) and also a registered charity (charity number: 1010563). The address of its registered office is disclosed in the Reference and Administration Details section of these financial statements.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

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

The financial accounts are prepared in Sterling (£).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Fees represent income receivable from the provision of swimming, sports and leisure activities to individuals and organisations on a pay for use basis. Subscriptions and lesson fees received in advance of the period to which they relate are deferred to the relevant period.

Voluntary income is received as grants and donations. All monetary donations and grants are included in full in the Statement of Financial Activities when receivable, provided there is no donor imposed restriction as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Grants receivable for fixed assets are credited to restricted funds until the asset is purchased, at which point they are transferred to unrestricted funds unless the grant provider has included additional restrictions.

Gifts in kind for use by the charity are valued at the estimated cost which would have been incurred by the charity.

Investment income comprises bank and building society interest and is recognised when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Expenditure

Support costs are those costs that cannot be directly allocated to a charitable activity. They include all central and management costs and administration overheads. Support costs are apportioned between the charitable activities on a basis consistent with the use of resources.

Governance costs are those costs associated with the constitutional and statutory requirements of the charitable company.

The charitable company is not registered for VAT and accordingly the costs are shown inclusive of VAT where applicable.

Allocation and apportionment of costs

Costs allocated to activities comprise those costs incurred which directly relate to that activity, together with an appropriate proportion of support costs.

Tangible fixed assets

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

Leasehold building improvements -	10 to 80 years
Pool & sports equipment -	3 to 5 years
Fixtures and fittings -	5 years
Office equipment -	2 to 25 years

The charitable company adopts a policy to capitalise all relevant expenditure on assets costing in excess of £350.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Current assets and liabilities

Debtors

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Current assets and liabilities

Cash at bank and in hand

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

Creditors and provisions

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

Financial Instruments

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

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	7,668	3,110
Grants	106,381	-
	<u>114,049</u>	<u>3,110</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Coronavirus funding	106,381	-

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Trading activities	6,400	22,571

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	4,154	3,151

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

6. INCOME FROM CHARITABLE ACTIVITIES

	2020 Swimming and leisure activities £	2019 Total activities £
Fees	253,209	540,699
Subscriptions	125,156	182,467
	<u>378,365</u>	<u>723,166</u>

7. RAISING FUNDS

Other trading activities

	2020 £	2019 £
Purchases	5,624	15,409

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Swimming and leisure activities	521,098	55,805	576,903

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	304,199	316,263
Chemicals and cleaning	6,935	8,389
Rent, rates and insurance	19,786	22,919
Light and heat	29,757	54,082
Activities and services	43,875	79,363
Maintenance and equipment	23,722	23,633
Licences and equipment hire	9,976	6,168
Other running costs	4,136	5,754
Staff expenses	1,602	3,101
Depreciation	77,110	58,818
	<u>521,098</u>	<u>578,490</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

10. SUPPORT COSTS

	Management £	Finance £	Totals £
Swimming and leisure activities	<u>46,322</u>	<u>9,483</u>	<u>55,805</u>

Support costs, included in the above, are as follows:

	2020 Swimming and leisure activities £	2019 Total activities £
Wages	29,917	31,060
Social security	2,705	2,999
Bank and card charges	6,197	9,875
Telephone	2,309	2,465
Postage and stationery	1,718	1,383
Advertising	3,476	4,263
Bookkeeping	4,563	3,450
Auditors remuneration	4,920	4,689
	<u>55,805</u>	<u>60,184</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	77,110	58,818
Auditors remuneration	<u>4,920</u>	<u>4,689</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

13. STAFF COSTS

	2020 £	2019 £
Wages and salaries	308,843	320,644
Social security costs	15,157	16,805
Other pension costs	12,821	12,873
	<u>336,821</u>	<u>350,322</u>

The average number of persons employed by the charitable company during the year was 42 (2019: 45) and the average monthly number of employees during the year expressed as full time equivalents is detailed below:

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

	2020	2019
Teachers and coaches	3	6
General staff	5	5
Management and administration	4	4
	<u>12</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

The remuneration paid to key management personnel of the charitable company in the year amounted to £46,218 (2019: £47,092)

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

All income and expenditure was unrestricted in the previous year and is therefore as shown in the comparative figures on the Statement of Financial Activities.

15. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2020	1,889,250	429,777	68,558	2,387,585
Additions	16,935	2,521	11,718	31,174
	<u>1,906,185</u>	<u>432,298</u>	<u>80,276</u>	<u>2,418,759</u>
At 31 December 2020				
DEPRECIATION				
At 1 January 2020	792,992	382,071	49,986	1,225,049
Charge for year	60,553	10,253	6,304	77,110
	<u>853,545</u>	<u>392,324</u>	<u>56,290</u>	<u>1,302,159</u>
At 31 December 2020				
NET BOOK VALUE				
At 31 December 2020	<u>1,052,640</u>	<u>39,974</u>	<u>23,986</u>	<u>1,116,600</u>
At 31 December 2019	<u>1,096,258</u>	<u>47,706</u>	<u>18,572</u>	<u>1,162,536</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

16. STOCKS

	2020 £	2019 £
Raw materials	-	511
Finished goods	3,108	2,807
	<u>3,108</u>	<u>3,318</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	4,052	6,299
Prepayments and accrued income	11,133	11,289
	<u>15,185</u>	<u>17,588</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	8,967	13,485
Social security and other taxes	4,299	4,459
Other creditors	13,914	18,789
Accruals and deferred income	18,701	13,015
	<u>45,881</u>	<u>49,748</u>

19. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	1,717,313	(79,559)	(1,116,600)	521,154
Capital fund	-	-	1,116,600	1,116,600
	<u>1,717,313</u>	<u>(79,559)</u>	<u>-</u>	<u>1,637,754</u>
TOTAL FUNDS	<u>1,717,313</u>	<u>(79,559)</u>	<u>-</u>	<u>1,637,754</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	502,968	(582,527)	(79,559)
	<u>502,968</u>	<u>(582,527)</u>	<u>(79,559)</u>
TOTAL FUNDS	<u>502,968</u>	<u>(582,527)</u>	<u>(79,559)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	1,619,398	97,915	1,717,313
TOTAL FUNDS	<u>1,619,398</u>	<u>97,915</u>	<u>1,717,313</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	751,998	(654,083)	97,915
TOTAL FUNDS	<u>751,998</u>	<u>(654,083)</u>	<u>97,915</u>

20. RELATED PARTY DISCLOSURES

A retired trustee P Rea is a director of a supplier of design and print services to the charitable company. In the period to 4 June 2020 the cost of services provided was £4,335 (2019 full year £3,824). There was a £nil balance due to the related party at 31 December 2020 (2019 - £nil).

A trustee K Butcher is an employee of a supplier of insurance services to the charitable company. In the year to 31 December 2020 the cost of services provided by was £5,945 (2019: £944). There was a £nil balance due to the related party at 31 December 2020.

A trustee C Clarke is a trustee of a local charity to which donations are made. In the year to 31 December 2020 donations were made totalling £1,700 (2019: £1,750). There was a £nil balance due to the related party at 31 December 2020 (2019 - £nil).

21. ULTIMATE CONTROLLING PARTY

The charity is under the control of the board of trustees.

22. COMPANY STATUS

The charitable company is a company limited by guarantee. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

JESMOND COMMUNITY LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. POST BALANCE SHEET EVENTS

Since the end of the financial year, the charity has been forced to temporarily close its premises in line with the Government policies resulting from the impact of the Coronavirus pandemic. The Trustees are aware of the potential financial impact of this closure and have made additional disclosure within the Trustees Report in relation to this.