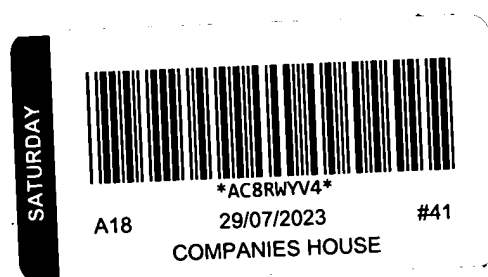


Charity registration number 1010563

Company registration number 02645699 (England and Wales)

JESMOND COMMUNITY LEISURE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



JESMOND COMMUNITY LEISURE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr K Butcher Ms D Easton Ms A Hames Mr MF Hunt Mr SG Leach Mr MD Miller Mr J Welford (Appointed 3 July 2022)
Secretary	Ms A Hames
Charity number	1010563
Company number	02645699
Principal address	Jesmond Pool St Georges Terrace Jesmond Newcastle Upon Tyne Tyne And Wear England NE2 2DL
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne Tyne and Wear England 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

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JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

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 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

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

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

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

2022 saw us once again able to use volunteers. Volunteering provides benefits to both mental and physical health of the volunteer and brings a wide range of skills knowledge and experience to the Pool & Gym. Last year saw 15 volunteers contributing 300 hours of office and lifeguarding work. Trustees and member meetings were still a mix of online and live meetings.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

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 poolside 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 better 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.

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.

During 2022 we have seen users return to the Pool & Gym following the pandemic, which has led to income from charitable activities recovering back to pre-pandemic levels. This reduced the need to seek support from grant funding, and the charity applied for and received a total of just £3,690 in grant funding this year (2021: £128,124).

We place cash deposits across multiple financial institutes to ensure the charity benefits from the £85,000 Financial Services Compensation Scheme should any single institute fail. The charity does not at present invest any of its free reserves.

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 have yet to start our customer focus groups as there is still a concern about meeting face to face. Hopefully 2023 will see the customer focus group recommence. Our social media presence continues to grow, we use Facebook and Instagram regularly and have 2.7k followers. We started using google business to its full potential with over 20k interactions in 2022. Our newsletter continues to grow with over 500 subscribers.

We have contributed actively to the Jesmond Community newsletters through various sources including the library and the various other news outlets and this has facilitated interactions with other local charities and good causes. We have a group dealing purely with communications, who advise and direct the organisation in its community interaction.

We have continued to support young people from our local community through providing training and future volunteering opportunities. We have been able to start a specialised volunteering scheme setup with local GP groups to provide volunteering opportunities on reception for young people with mental health issues.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

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 2022 the Board of Directors agreed to create a designated fund for future capital improvements, and transferred £500,000 to this fund (2021: Nil). There are planned short term investments to be made in equipment and building improvements. By separating out a designated fund, the charity can be certain of the amount available for investment whilst ensuring there is sufficient available in free reserves for un-anticipated costs.

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.

During the year two staff have been supported in obtaining qualifications as Swimming Teachers Association "STA" tutors of swimming teachers. The charity is now an STA approved training centre, and from September we started converting all of our swimming lessons to the STA framework. This has led to a rolling programme of re-training all staff under the new framework.

We have maintained the regular programme of lifeguard training, including existing staff who have to re-qualify every 2 years. In addition we accessed funding for a member of staff to study for a digital marketing apprenticeship to include on site studying.

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

During the year we worked with Newcastle City Council on the Governments decarbonisation scheme and expect to see some output from that during 2023.

In the meantime we made plans to expand the existing solar panel arrays on the roof of the building. This has been held up whilst further roof repairs are undertaken, but money has been allocated from the designated fund for this work and will proceed as soon as possible.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

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 £836,661 (2021: £499,442) compared to costs of generating those activities of £691,390 (2021: £717,018), giving a surplus on the provision of charitable activities of £145,271 (2021: £217,576 deficit).

Income generated this year has been almost solely from the charitable activities with very little additional support from donations and grants following the end of the furlough scheme and pandemic related grant funding. This emphasises the successful year the charity has experienced and is testament to the hard work of the staff in ensuring a smooth return to full capacity operating.

Cashflow generated from operating activities amounted to £242,391 (2021: £130,517).

Overall, the charitable company generated a surplus in net incoming resources of £169,648 (2021: £60,896).

The trustees are extremely pleased with this year's performance following a difficult period for those operating in the industry. Strong reserves facilitated pandemic survival and the business has resumed successful operations since.

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.

Concerns remain around energy costs, as it is an area of unavoidable costs required to heat water for the pool and showers, and power the sauna and steam room. The charity is currently on a fixed tariff below the open market rate, with contracts in place until October 2023 (electricity) and September 2024 (gas). We had included contingency in the 2022 budget in the event that suppliers failed to survive, but that has not happened and the contracts have been honoured.

The 2023 budget anticipates electricity costs doubling once we exit the fixed tariff, and we are working with brokers to explore the options available.

Reserves policy

During the financial year, the reserves policy was reviewed and updated as it was felt that we needed to separate free reserves from those funds needed for future capital investment.

Jesmond Community Leisure's reserves policy is to hold a minimum of £250,000 in free reserves. This is considered sufficient to cover a number of risks happening concurrently, including temporary closure, emergency repairs and an increase in key operating costs. In an alternative scenario, this is also considered sufficient to cover the closure costs if the Pool & Gym were unable to continue operating. Those closure costs have been estimated in the region of £110,000 to £130,000.

The Charity's reserves are only expected to be spent on unforeseen circumstances – the most likely to occur being the failure of equipment or damage to the structure of the building. The Charity will review the reserves policy on an annual basis in conjunction with its review of the Designated Fund.

The Designated Fund will be that proportion of Unrestricted Funds that the Trustees have determined to be available for longer term investment back into the Charity. At the end of 2022 this was £500,000.

At the end of the financial year the Pool & Gym had free reserves of £290,962 (2021: £659,848).

Risk assessment

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.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for future periods

At the time of preparing these accounts Jesmond Pool & Gym is once again fully operational and seeing high levels of use of all facilities. The trustees have assessed the outcome of the last strategic review and are in the process of agreeing the focus for the medium term future of the Pool & Gym.

Structure, governance and management

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr K Butcher

Ms D Easton

Ms A Hames

Mr MF Hunt

Mr SG Leach

Mr MD Miller

Mr JB Thompson

(Resigned 3 July 2022)

Mr J Welford

(Appointed 3 July 2022)

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.

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.

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 2022 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.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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


Auditor

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

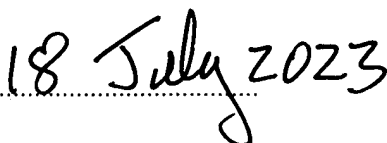
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Mr MD Miller
Trustee

Date:



JESMOND COMMUNITY LEISURE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

Opinion

We have audited the financial statements of Jesmond Community Leisure (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2022 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.

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 charity 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 charity'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 other information comprises the information included in the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

JESMOND COMMUNITY LEISURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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, the trustees, who are also the directors of the charity 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 has been assessed in conjunction with how internal controls may 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

JESMOND COMMUNITY LEISURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Michael T Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

25 July 2023

Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

JESMOND COMMUNITY LEISURE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	2	10,159	133,922
Charitable activities	3	836,661	499,442
Other trading activities	4	24,854	14,873
Investments		3,850	2,912
Other income		-	140,638
Total income		875,524	791,787
<u>Expenditure on:</u>			
Raising funds	5	14,486	13,873
Swimming and leisure activities	6	691,390	717,018
Total resources expended		705,876	730,891
Net income for the year/ Net movement in funds		169,648	60,896
Fund balances at 1 January 2022		1,698,650	1,637,754
Fund balances at 31 December 2022		1,868,298	1,698,650

All income and expenditure derive from continuing activities.

JESMOND COMMUNITY LEISURE

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		1,077,336		1,038,802
Current assets					
Stocks		4,193		993	
Debtors	11	16,841		14,002	
Cash at bank and in hand		806,845		669,774	
		827,879		684,769	
Creditors: amounts falling due within one year	12	(36,917)		(24,921)	
Net current assets			790,962		659,848
Total assets less current liabilities			1,868,298		1,698,650
Income funds					
<u>Unrestricted funds - general</u>					
Capital funds	13	500,000		-	
General unrestricted funds		1,368,298		1,698,650	
			1,868,298		1,698,650
			1,868,298		1,698,650

The financial statements were approved by the Trustees on

18TH July 2023

MD Miller

Mr MD Miller
Trustee

Company Registration No. 02645699

JESMOND COMMUNITY LEISURE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	17		242,391		130,517
Investing activities					
Purchase of tangible fixed assets		(111,670)		(12,397)	
Proceeds from disposal of tangible fixed assets		2,500		-	
Investment income received		3,850		2,912	
Net cash used in investing activities			(105,320)		(9,485)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			137,071		121,032
Cash and cash equivalents at beginning of year			669,774		548,742
Cash and cash equivalents at end of year			806,845		669,774

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

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.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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).

1.2 Going concern

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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 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.

1.5 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.

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.

1.6 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.

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold building improvements	10 to 80 years
Pool and sports equipment	3 to 5 years
Fixtures and fittings	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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.

1.12 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.

1.13 Debtors due within one year

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.

1.14 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.

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Donations and gifts	6,469	5,798
Grants	3,690	128,124
	<u>10,159</u>	<u>133,922</u>
Grants receivable for core activities		
Newcastle City Council - Best Summer Ever	-	9,400
Newcastle City Council - Winter Recovery Fund	-	38,964
Newcastle City Council - National Recovery Fund	3,690	42,000
National Lottery Community Fund	-	36,200
Northumberland Business Services Limited	-	1,560
	<u>3,690</u>	<u>128,124</u>

3 Charitable activities

	Fees 2022 £	Subscriptions 2022 £	Total 2022 £	Fees 2021 £	Subscriptions 2021 £	Total 2021 £
Swimming and leisure activities	<u>648,340</u>	<u>188,321</u>	<u>836,661</u>	<u>380,508</u>	<u>118,934</u>	<u>499,442</u>

4 Other trading activities

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Trading activities	<u>24,854</u>	<u>14,873</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Other trading activities		
Swimming equipment	13,020	8,538
Vending machine purchases	1,466	5,335
	<u>14,486</u>	<u>13,873</u>

6 Swimming and leisure activities

	Swimming and leisure activities 2022 £	Swimming and leisure activities 2021 £
Staff costs	379,329	319,378
Depreciation and impairment	73,136	76,363
Chemicals and cleaning	12,758	6,024
Rent, rates and insurance	16,935	19,778
Light and heat	44,847	30,291
Activities and services	50,069	45,145
Maintenance and equipment	19,675	129,477
Licences and equipment hire	10,605	9,183
Other running costs	6,920	4,909
Staff expenses	8,163	3,535
Profit and loss on disposal of fixed assets	(2,500)	13,832
	<u>619,937</u>	<u>657,915</u>
Share of support costs (see note 7)	71,453	59,103
	<u>691,390</u>	<u>717,018</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	41,152	-	41,152	34,226	-	34,226
Bank and card charges	11,024	-	11,024	7,755	-	7,755
Telephone	3,111	-	3,111	2,293	-	2,293
Postage and stationery	2,126	-	2,126	834	-	834
Advertising	5,446	-	5,446	5,710	-	5,710
Bookkeeping	3,194	-	3,194	3,365	-	3,365
Auditors remuneration	5,400	-	5,400	4,920	-	4,920
	<u>71,453</u>	<u>-</u>	<u>71,453</u>	<u>59,103</u>	<u>-</u>	<u>59,103</u>
Analysed between						
Charitable activities	<u>71,453</u>	<u>-</u>	<u>71,453</u>	<u>59,103</u>	<u>-</u>	<u>59,103</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teachers and coaches	2	2
General staff	4	3
Management and administration	3	3
Total	<u>9</u>	<u>8</u>

Employment costs

	2022 £	2021 £
Wages and salaries	388,232	327,405
Social security costs	19,220	14,068
Other pension costs	13,029	12,131
	<u>420,481</u>	<u>353,604</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees

(Continued)

The average number of persons employed by the charitable company during the year was 50 (2021: 34) and the average monthly number of employees during the year expressed as full time equivalents is detailed above.

The remuneration paid to key management personnel of the charitable company in the year amounted to £49,681 (2021: £52,211).

There were no employees whose annual remuneration was more than £60,000.

10 Tangible fixed assets

	Leasehold building improvements	Pool and sports equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2022	1,887,530	436,402	78,043	2,401,975
Additions	12,441	91,750	7,479	111,670
Disposals	-	(122,188)	-	(122,188)
At 31 December 2022	1,899,971	405,964	85,522	2,391,457
Depreciation and impairment				
At 1 January 2022	895,487	404,378	63,308	1,363,173
Depreciation charged in the year	46,337	19,033	7,766	73,136
Eliminated in respect of disposals	-	(122,188)	-	(122,188)
At 31 December 2022	941,824	301,223	71,074	1,314,121
Carrying amount				
At 31 December 2022	958,147	104,741	14,448	1,077,336
At 31 December 2021	992,043	32,024	14,735	1,038,802

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	8,757	5,626
Other debtors	28	-
Prepayments and accrued income	8,056	8,376
	16,841	14,002

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	6,366	5,339
Trade creditors	11,484	8,730
Other creditors	10,427	2,082
Accruals and deferred income	8,640	8,770
	<u>36,917</u>	<u>24,921</u>

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2022 £	Transfers £	Balance at 31 December 2022 £
Capital fund	-	500,000	500,000
	<u>-</u>	<u>500,000</u>	<u>500,000</u>

Capital fund

This fund represents monies set aside for future capital improvements.

14 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	1,000	1,000
Between two and five years	4,000	4,000
In over five years	67,250	68,250
	<u>72,250</u>	<u>73,250</u>

15 Related party transactions

A trustee K Butcher is an employee of a supplier of insurance services to the charitable company. In the year to 31 December 2022, the cost of services provided was £5,563 (2021: £5,872). There was a £nil balance due to the related party at 31 December 2022.

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Ultimate controlling party

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

17 Cash generated from operations	2022 £	2021 £
Surplus for the year	169,648	60,896
Adjustments for:		
Investment income recognised in statement of financial activities	(3,850)	(2,912)
(Gain)/loss on disposal of tangible fixed assets	(2,500)	13,832
Depreciation and impairment of tangible fixed assets	73,135	76,363
Movements in working capital:		
(Increase)/decrease in stocks	(3,200)	2,115
(Increase)/decrease in debtors	(2,838)	1,183
Increase/(decrease) in creditors	11,996	(20,960)
Cash generated from operations	242,391	130,517