

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 2023

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 Mr J Mills (Appointed 1 October 2023)
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 DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

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 DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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. During 2023 10 volunteers contributed 300 hours of office and lifeguarding work. Trustees and member meetings continued with a mix of online and live meetings.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

The fitness suites cater to diverse needs by offering tailored classes for teenagers, older adults, and individuals referred by their GPs. Each fitness suite—the basement and the poolside—provides a unique atmosphere and a different set of equipment, enhancing the variety of choices for the growing customer base. This diversity in environment and equipment has been well-received, allowing the facility to manage higher user volumes effectively.

Additionally, the upstairs studio is a versatile space utilised by all age groups. It hosts a range of activities from baby massage classes and children's parties to a comprehensive array of exercise and fitness classes, making it a hub for community engagement and physical activity.

We know that the majority of our users are local, but we also draw support from a wider 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 most months 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.

2023 saw continued growth in attendance at the Pool & Gym, particular in person, which led to a 6% growth in income from charitable activities. The charity continues to monitor availability of grant funding, in areas appropriate to its mission and objectives. Applications were made during the year for grants which take some time to be awarded, and as a result no grant funding was received during 2023 (2022: £3,690).

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 in investment vehicles other than deposit accounts covered by the FSC scheme.

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

We actively network with a wide range of community groups through our dedicated staff and trustees, ensuring continuous dialogue with our users via staff interactions and customer feedback. Although we have yet to launch our customer focus groups due to concerns about in-person meetings, we aim to resume these in 2024. Our social media presence is expanding, with regular updates on Facebook and Instagram and a follower base of 3k. Additionally, we have leveraged Google Business effectively, achieving over 22k interactions in 2023. Our newsletter has also grown, now reaching over 500 subscribers.

We contribute to the Jesmond Community newsletters through various channels, including the library and other news outlets, fostering connections with the local community and causes. A dedicated group of staff and volunteers manages our communications, advising and guiding the Trustees on community engagement.

We continue to support young people in our local community by providing training and future volunteering opportunities. Our specialised volunteering scheme in collaboration with local GP groups, offering reception volunteering roles for young people with mental health issues has grown and is well received.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 the Board of Directors reviewed the designated fund for future capital improvements. We had spent £115,570 on capital improvements during 2023 (2022: Nil), and agreed to transfer a further £215,570 to the designated fund in 2023 taking the year end balance to £600,000 (2022: £500,000). 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 to meet 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 staff with over 20 years service and three members with over 25 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 swimming teacher tutors retrained 40 of our current teachers to allow us to deliver excellent standards. One of our staff completed their deep water exercise to music and started classes which have been well received. Another member of staff completed their internal quality assurance qualification, this allows them to assess our courses.

We have maintained the regular programme of lifeguard training, including existing staff who have to re-qualify every 2 years. During 2023 we had 20 staff requalified as pool lifeguards.

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 adhere to sector guidelines. Our procedures undergo regular reviews as part of our ongoing training programs, and we make certain that all necessary staff members obtain DBS (Disclosure Barring Service) clearance before commencing work with us. Our RLSS Approved Training Centre status is externally reviewed annually to maintain high standards.

Several of our staff members are part of Leisure Institutes, enabling them to receive regular updates on industry provisions and developments. Additionally, staff members participate in industry seminars and updates as part of their Continuing Professional Development (CPD) to maintain their professional qualifications

We are an active member of Community Leisure, a leading charitable organisation that supports the majority of single-site trusts across the UK. Our Operations Manager chairs this unique group of over 30 sites. This affiliation enhances our ability to stay informed and engaged with broader industry trends and best practices.

Objective 7: to reduce our environmental impact

We continue to work with Newcastle City Council on the Governments decarbonisation scheme and expect to see some output from that during 2024.

Our plans for a solar array are still moving ahead, with a successful bid with SPSF we will be hoping to start installation during the summer of 2024.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

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

Income generated from charitable activities fees and subscriptions during the year was £887,864 (2022: £836,661) compared to costs of generating those activities of £774,444 (2022: £691,390), giving a surplus on the provision of charitable activities of £113,420 (2022: £145,271).

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 pandemic related grant funding. This emphasises the successful year the charity has experienced and is testament to the hard work of the staff in managing the centre operating at full capacity.

Cashflow absorbed from operating activities amounted to £215,432 (2022: £242,391).

Overall, the charitable company generated a surplus in net incoming resources of £139,286 (2022: £169,648).

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.

Significant cost increases are anticipated during 2024 for energy costs, as we exit fixed tariffs, and it is an area of unavoidable costs required to heat water for the pool and showers, and power the sauna and steam room. There will also be an increase in salaries on 1st April 2024. Both of these factors have been budgeted for and we anticipate a smaller, but still positive surplus in the next financial year.

Reserves policy

Towards the end of the financial year, the reserves policy was reviewed, and remains the same as prior year.

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 2023 this was £600,000 (2022: £500,000).

At the end of the financial year the Pool & Gym had free reserves of £284,871 (2022: £290,962).

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.

Plans for future periods

At the time of preparing these accounts Jesmond Pool & Gym is 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.

JESMOND COMMUNITY LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 J Welford

Mr J Mills

(Appointed 1 October 2023)

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 2023 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 DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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; 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: 5 June 2024

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 2023 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 2023 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.



Nicholas Cunningham FCCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

12-6-2024

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 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Donations and legacies	2	1,913	10,159
Charitable activities	3	887,864	836,661
Other trading activities	4	30,897	24,854
Investments		13,127	3,850
Total income		933,801	875,524
<u>Expenditure on:</u>			
Raising funds	5	20,071	14,486
Swimming and leisure activities	6	774,444	691,390
Total resources expended		794,515	705,876
Net income for the year/ Net movement in funds		139,286	169,648
Fund balances at 1 January 2023		1,868,298	1,698,650
Fund balances at 31 December 2023		2,007,584	1,868,298

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

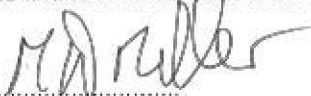
JESMOND COMMUNITY LEISURE

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		1,122,713		1,077,336
Current assets					
Stocks		2,468		4,193	
Debtors	12	18,102		16,841	
Cash at bank and in hand		899,107		806,845	
		919,677		827,879	
Creditors: amounts falling due within one year	13	(34,806)		(36,917)	
Net current assets			884,871		790,962
Total assets less current liabilities			2,007,584		1,868,298
Income funds					
<u>Unrestricted funds - general</u>					
Capital funds	14	600,000		500,000	
General unrestricted funds		1,407,584		1,368,298	
			2,007,584		1,868,298
			2,007,584		1,868,298

The financial statements were approved by the Trustees on 5 June 2024



Mr MD Miller

Trustee

Company Registration No. 02645699

JESMOND COMMUNITY LEISURE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	18		215,432		242,391
Investing activities					
Purchase of tangible fixed assets		(137,482)		(111,670)	
Proceeds from disposal of tangible fixed assets		1,185		2,500	
Investment income received		13,127		3,850	
Net cash used in investing activities			(123,170)		(105,320)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			92,262		137,071
Cash and cash equivalents at beginning of year			806,845		669,774
Cash and cash equivalents at end of year			899,107		806,845

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 or grantors 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 2023

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 2023

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 2023

2 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	1,913	6,469
Grants	-	3,690
	<u>1,913</u>	<u>10,159</u>
Grants receivable for core activities		
Newcastle City Council - National Recovery Fund	-	3,690
	<u>-</u>	<u>3,690</u>

3 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fees		
Swimming and leisure activities	656,759	648,340
Subscriptions		
Swimming and leisure activities	231,105	188,321
	<u>887,864</u>	<u>836,661</u>

4 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Trading activities	<u>30,897</u>	<u>24,854</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Other trading activities		
Swimming equipment	12,840	13,020
Vending machine purchases	7,231	1,466
	<u>20,071</u>	<u>14,486</u>

6 Expenditure on charitable activities

	Swimming and leisure activities 2023 £	Swimming and leisure activities 2022 £
Direct costs		
Staff costs	420,935	379,329
Depreciation and impairment	92,105	73,136
Chemicals and cleaning	13,074	12,758
Rent, rates and insurance	18,520	16,935
Light and heat	54,386	44,847
Activities and services	56,461	50,069
Maintenance and equipment	24,255	19,675
Licences and equipment hire	12,942	10,605
Other running costs	1,931	6,920
Staff expenses	7,133	8,163
Profit and loss on disposal of fixed assets	(1,185)	(2,500)
	<u>700,557</u>	<u>619,937</u>
Share of support and governance costs (see note 7)		
Support	<u>73,887</u>	<u>71,453</u>
	<u>774,444</u>	<u>691,390</u>
Analysis by fund		
Unrestricted funds	<u>774,444</u>	<u>691,390</u>

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Support costs allocated to activities

	2023 £	2022 £
Staff costs	46,000	41,152
Bank and card charges	11,033	11,024
Telephone	2,562	3,111
Postage and stationery	2,557	2,126
Advertising	3,935	5,446
Bookkeeping	2,400	3,194
Auditors remuneration	5,400	5,400
	<u>73,887</u>	<u>71,453</u>
Analysed between:		
Swimming and leisure activities	<u>73,887</u>	<u>71,453</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:

	2023 Number	2022 Number
General staff	48	46
Management and administration	<u>4</u>	<u>4</u>
Total	<u>52</u>	<u>50</u>

Employment costs

	2023 £	2022 £
Wages and salaries	430,224	388,232
Social security costs	22,053	19,220
Other pension costs	<u>14,658</u>	<u>13,029</u>
	<u>466,935</u>	<u>420,481</u>

The average number of persons employed by the charitable company is noted above whilst the full time equivalents employed during the year was 8 (2022: 9).

The remuneration paid to key management personnel of the charitable company in the year amounted to £56,185 (2022: £49,681).

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

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Leasehold building improvements	Pool and sports equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2023	1,899,971	405,964	85,522	2,391,457
Additions	48,249	82,891	6,342	137,482
Disposals	(53,947)	(267,511)	(52,296)	(373,754)
At 31 December 2023	1,894,273	221,344	39,568	2,155,185
Depreciation and impairment				
At 1 January 2023	941,824	301,223	71,074	1,314,121
Depreciation charged in the year	47,178	40,278	4,649	92,105
Eliminated in respect of disposals	(53,947)	(267,511)	(52,296)	(373,754)
At 31 December 2023	935,055	73,990	23,427	1,032,472
Carrying amount				
At 31 December 2023	959,218	147,354	16,141	1,122,713
At 31 December 2022	958,147	104,741	14,448	1,077,336

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	7,737	8,757
Other debtors	28	28
Prepayments and accrued income	10,337	8,056
	18,102	16,841

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	5,071	6,366
Trade creditors	12,082	11,484
Other creditors	11,064	10,427
Accruals and deferred income	6,589	8,640
	<u>34,806</u>	<u>36,917</u>

14 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 2023 £	Resources expended £	Transfers £	Balance at 31 December 2023 £
Capital fund	500,000	(137,482)	237,482	600,000
	<u>500,000</u>	<u>(137,482)</u>	<u>237,482</u>	<u>600,000</u>

Capital fund

This fund represents monies set aside for future capital improvements.

15 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:

	2023 £	2022 £
Within one year	1,000	1,000
Between two and five years	4,000	4,000
In over five years	66,250	67,250
	<u>71,250</u>	<u>72,250</u>

16 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 2023, the cost of services provided was £6,677 (2022: £5,563). There was a £nil balance due to the related party at 31 December 2023.

JESMOND COMMUNITY LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Ultimate controlling party

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

18 Cash generated from operations	2023	2022
	£	£
Surplus for the year	139,286	169,648
Adjustments for:		
Investment income recognised in statement of financial activities	(13,127)	(3,850)
Gain on disposal of tangible fixed assets	(1,185)	(2,500)
Depreciation and impairment of tangible fixed assets	92,105	73,135
Movements in working capital:		
Decrease/(increase) in stocks	1,725	(3,200)
(Increase) in debtors	(1,261)	(2,838)
(Decrease)/increase in creditors	(2,111)	11,996
Cash generated from operations	215,432	242,391

