

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2022

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FLETCHER & PARTNERS

CHARTERED ACCOUNTANTS

SALISBURY

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED

COMPANY INFORMATION

Directors:	Mr P D Silvester	Appointed 18 August 2022	
	Mr R H Messer		
	Mr M Walden	Appointed 18 August 2022	
	Ms L M Wild	Appointed 8 September 2022	
	Mr A Wynter	Resigned 28 February 2023	
	Mr T C L Drake	Resigned 30 June 2022	
	Mr H M Hebditch	Resigned 13 February 2023	
	Mr B Von Clemens	Resigned 15 October 2022	
	Mr P P Wilson	Resigned 1 July 2022	
Key Management Personnel	Mr A Waistell	General Manager	Resigned 30 November 2022
	Mr J Parry	Operations Manager	
	Mr W Magee	Finance Manager	
Registered Office	Riversmeet, Hardings Lane, Gillingham, Dorset, SP8 4HX		
Advisers:	Bankers	Lloyds Bank plc	
	Accountants	Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury	
	Solicitors	Wilsons LLP, Alexandra House, St Johns Street, Salisbury S	
Company Number:	Registered Company Number 06868510		
Charity Number:	Registered Charity Number 1138571		

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
TRUSTEE DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The Trustee Directors (hereinafter referred to as Trustees) present the Annual Report and Accounts for the year ended 30 June 2022, which have been prepared so as to comply with the provisions of the Companies Act 2006, the Charities Act 2011 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee. It was incorporated in England on 3 April 2009. The company was registered as a Charity with the Charity Commission on 26 October 2010. The company (hereinafter referred to as the Trust or Charity) is operated by its Trustees who meet periodically. New Trustees are recruited from among people who have an interest in furthering the aims of the Charity with a view to ensuring that all the necessary competencies are represented within the trustee body.

BACKGROUND TO FORMATION OF THE TRUST, ITS ACTIVITIES AND OBJECTIVES

The Charity is a subsidiary of The Three Rivers Partnership, a community partnership for Gillingham and the surrounding area of North Dorset. The Charity was established to initially manage the redevelopment and construction of the RiversMeet Centre in Gillingham, which was reopened in August 2010.

A SUMMARY OF THE OBJECTS OF THE CHARITY AS SET OUT IN ITS GOVERNING DOCUMENT

The Charity's objects are: the promotion for the public benefit of community participation in healthy recreation for the benefit of the inhabitants of Gillingham, Dorset, and the surrounding areas in particular the provision of facilities for swimming, basketball, badminton, netball, indoor hockey, five a side football, gymnastics and fitness exercises and such other charitable healthy recreational sports or activities as the Trustees shall from time to time determine, and such other lawful charitable purposes for the public benefit as the Trustees shall from time to time determine.

SUMMARY OF MAIN ACTIVITIES OF THE CHARITY IN RELATION TO ITS OBJECTS

The Charity operates the RiversMeet Centre in Gillingham (open to paying customers since August 2010) and the new Space Inflators site (open to paying customers from July 2022), both in Gillingham, North Dorset. The Charity continues to provide the public with facilities for exercise and actively promotes the benefits of a healthy lifestyle. The Charity is managed on a self-sustaining basis. It operates a café on both its sites and sells a selection of swimming related items at the Riversmeet Centre.

STRATEGIC REVIEW

ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY

2021-2022 was another tough year for the whole of the Leisure Industry, which is noted as being one of the most severely hit by the Covid pandemic. After several months of closure as a result of the third government lockdown (covering the period 1 January to March 31st March 2021), RiversMeet was able to fully re-open on April 12 2021. This period of closure had a significant effect on reducing our revenue and reducing membership levels. Importantly, a significant proportion of our loyal customer base continued to support us financially during this period

During the period following national lockdowns, it became evident that our pivotal place within the community was enabling the Charity to 'bounce back' quicker than the majority of commercial organisations. This coupled with effective management and cost savings endured that the cash position of the Charity remains stable, despite the external pressures which were out of our control.

The Charity has in recent years focused its activities on ensuring that the quality of service and equipment that is offered to the local community is of the highest standards. Even in the most challenging circumstances, the GCLT has continued a programme of inward investment and equipment renewal in order to provide the best possible user experience for our loyal customers.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY (cont'd)

In planning for the future in order to grow the business as a more secure route to ensure sustainability, the trustees:

Developed a partnership with Dextra which resulted in GCLT taking on a leased building (with Dextra as landlords) and opening a second site in Gillingham, Space Inflators (this process included loans for our new equipment from the landlord, from June 2022).

After a great deal of hard work from trustees and staff (led by the Director of Leisure [Alan Waistell], Space Inflators (SI) opened in July 2022, as the country was recovering from the COVID pandemic and the energy 'crunch' arrived. Difficult times for a new business.

The trustees planned that the expansion of the business will result in additional revenue streams which would ensure sustainability at both sites and provide extra funds for investment back into community projects. A new state-of-the-art Strength and Conditioning gym is planned for in an extension to the SI building which is about to begin (February 2023).

Whilst initial bounce back from Lockdown 2 in 2021 was in line with industry expectations, GCLT saw parts of its business exceeding expectations significantly. Our swim school, buoyed by increase space within our timetable, expanded rapidly by some 50% during the autumn of 2021, with a slight reduction following the Lockdown 3 in 2022. We have increased our membership to a stable 1,000 paying members and this is a healthy position, albeit some 10% less than our pre-COVID levels. We aim to recover these members, going forwards,

In order to cope with the long-term implications of the Covid pandemic, the energy crisis and the current inflationary pressures trustees (ably steered by the General Manager) have:

Supported the reduction of our energy consumption by some 33% as a result of active management and the introduction of energy saving equipment (e.g. LED lighting etc.). By the end of the financial year and alongside the governments Covid vaccination programme, there is confidence that the whole business could return to pre-Covid membership numbers during the next financial year.

Introduced an energy surcharge payable by all members from November 1st 2022

Worked hard to buy our energy at the best possible rates through our broker.

Scrutinised the operational activity and equipment at Space Inflators in order to support the business as it becomes more viable (it has been loss-making but our profit and loss figures for SI continue to improve).

NATURE OF THE GOVERNING DOCUMENT AND CONSTITUTION OF THE CHARITY

The Charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The directors of the company are also trustees of the Charity. Eligibility for membership of the Charity, and of the board of trustees is governed by the memorandum and articles of association. The charity objects restrict the Charity to the operation of leisure facilities for the benefit of local residents.

THE METHODS ADOPTED FOR THE RECRUITMENT AND APPOINTMENT OF NEW TRUSTEES

The board aims to have a minimum of five trustees serving at any particular time. At least one trustee shall also be a trustee of The Three Rivers Partnership, Dorset. New trustees are provided with training after they have been appointed.

Due to a variety of factors (including the implications of the COVID pandemic together with a significant number of trustee resignations), the Board was not able to perform its role as fully as it would have wanted to during 2021-22. The Board now has a full team of trustees, the majority of whom were recruited during the summer months of 2022. Much requires to be learnt.

THE ORGANISATIONAL STRUCTURE OF THE CHARITY AND HOW DECISIONS ARE MADE

The board of trustees meets regularly as a full board. The board reviews the operation of the leisure centre and takes all the key strategic and investment decisions. The day-to-day operation of the leisure centre is delegated to the management team led by the General Manager.

The company is a subsidiary company of The Three Rivers Partnership, Dorset, which is a charity that works closely with statutory, non statutory and other representational bodies to promote community participation in healthy recreation.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

POLICIES ON RESERVES

The trustees have resolved to establish reserves to provide for future activities, and the trustees have wide powers of investment. The majority of the Charity's reserves are represented by fixed assets following the development of the first RiversMeet Centre.

RISK

The trustees have identified the major risks affecting the charity and regularly review these risks to ensure that the risks are managed effectively by the charity trustees and management.

The trustees are actively managing the risks posed by the post-COVID Recovery Plan, the energy crisis and the current inflationary pressures on business (particularly in relation to wage inflation).

FINANCIAL REVIEW

The company received income of £1,276,183 (2021: £839,241) which was largely represented by £1,022,691 of income received from users of RiversMeet Leisure Centre (2021: £456,401). This greatly increased level of income was a result of the centre reopening following being compulsorily closed under government Covid 19 restrictions in the previous year. During the year £40,577 (2021: £302,371) of grant income was received from various Covid 19 support schemes. The company incurred expenditure of £1,325,874 (2021: £1,002,885). The company has recorded a deficit of £49,691 compared to a deficit of £163,644 for the previous year, but in both years there were operating surpluses before depreciation charges recognised. The company also received exceptional income of £242,200, from the waiver of a loan, and incurred a one off £60,000 charge relating to the ending of a contract with Gillingham Town Council.

The company had net assets at 30 June 2022 of £3,909,281 (2021: £3,776,772). Net assets have increased reflecting the loan waiver. Cash at 30 June 2022 was £196,119 compared with £218,153 in the prior year.

THE FUTURE

The trustees are excited at the prospects for growth in the coming year or two. The new Board of trustees has a strong mix of different talents and a great deal of enthusiasm to support GCLT and all its interests, in the future. We are aware that we need to support the growth and operational practice at SI in order for it to become more viable, as it develops. The Board are focused on:

1. Continuing to develop our individual and collective understanding of the operational functioning of the business in order to contribute to GCLT's further success and offer the business the imaginative strategic guidance and oversight which it needs.
2. Getting to know the leadership team of key staff, strengthening them and supporting a much stronger emphasis on targeted training in a coherent and coordinated manner.
3. Consolidating the fabric of all that GCLT manages (e.g. installing LED lighting throughout both sites, progressing the planned solar array at The RiversMeet site), driving our energy consumption down and ensuring that vital equipment (e.g. our Air Source Heat Pumps, Showers and ICT network) work efficiently with suitable arrangements for maintenance.
4. Oversee the improvement of all communication channels (e.g. trustee communication to users/customers, signage and display boards at both sites, staff to staff communication, our booking systems, our Facebook and web site use, all Newsletters etc.).
5. Improve marketing in partnership with community organisations, Gillingham Town Council, local employers etc. Maximise all opportunities for cross-marketing at both sites.
6. Apply for new Planning Permission at the SI site (applied in December 2022) in order that the state-of-the-art Strength and Conditioning Gym which is planned for (in the extension to the building which Dextra will complete in April/May 2023) can be promoted as a vital part of a venue which can also become a versatile hub for the local community. We hope to open the new gym during the summer months of 2023.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

PUBLIC BENEFIT

The trustees confirm that they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Specifically, the trustees consider that the facilities for recreation and leisure will be available to all members of the community.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Charity law requires the Trustees to prepare financial statements, for each financial period, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) which give a true and fair view of the financial activities of the company during the year and of its financial position at the end of the period.

In preparing those statements, the Trustees are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgements and estimates that are reasonable and prudent;
- 3) State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- 4) Prepare the accounts on a going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the provisions of 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.

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken steps which he or she ought to have taken as a Trustee to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the Trustees:



Approved by the Trustees on 12 April 2023

Mr P Silvester CBE

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE GILLINGHAM COMMUNITY & LEISURE TRUST LIMITED

Opinion

We have audited the financial statements of The Gillingham Community and Leisure Trust Limited (the "Charity") for the year ended 30 June 2022 which comprise the Statement of Financial Activities, Balance Sheet, the Cashflow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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:

- i) give a true and fair view of the state of the Charity's affairs as at 30 June 2022 and of its income and expenditure for the year then ended;
- ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- iii) 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.

Conclusion relating to going concern

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

We therefore conclude that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE GILLINGHAM COMMUNITY & LEISURE TRUST LIMITED
CONTINUED

Opinions on other matters prescribed by the Companies Act 2006

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

- i) the information given in the trustee directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ii) the trustee directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee directors' 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:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement on page 4, the trustees 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 they 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 Charity or to cease operations, or have no realistic alternative but to do so.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE GILLINGHAM COMMUNITY & LEISURE TRUST LIMITED
CONTINUED

Auditor's responsibilities for the audit of the financial statements

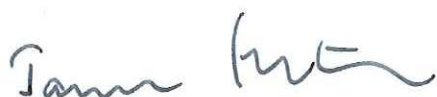
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Our work on income includes reviewing income streams for completeness and cut-off, which we consider gives good assurance over the accuracy of income and debtors in the accounts. Our work on creditors and expenditure is also considered capable of giving assurance that costs are valid business expenses and included in the correct accounting period. Work on compliance with laws and regulations is limited to inspection of correspondence and enquiry of management and so there are inherent limitations in these audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

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



James Fletcher, Senior Statutory Auditor
for and on behalf of Fletcher & Partners,
Chartered Accountants and Statutory Auditors

Crown Chambers
Bridge Street
Salisbury

10 May 2023

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2022

<u>Notes</u>	<u>Unrestricted</u> <u>Fund</u> <u>2022</u> £	<u>Restricted</u> <u>Fund</u> <u>2022</u> £	<u>Total</u> <u>Funds</u> <u>2022</u> £	<u>Total</u> <u>Funds</u> <u>2021</u> £
INCOME AND ENDOWMENTS FROM:				
Donations, legacies and grants	2 40,577	-	40,577	337,371
Charitable activities	3 1,022,691	-	1,022,691	456,401
Other trading income	4 178,820	34,080	212,900	45,449
Investment income	5 16	-	16	20
Total Income	<u>1,242,103</u>	<u>34,080</u>	<u>1,276,183</u>	<u>839,241</u>
EXPENDITURE ON:				
Raising funds	6 91,532	-	91,532	29,112
Charitable activities	7 1,172,552	34,080	1,206,632	957,063
Other expenditure	7 27,710	-	27,710	16,710
Total Expenditure	<u>1,291,794</u>	<u>34,080</u>	<u>1,325,874</u>	<u>1,002,885</u>
Net income/(expenditure)	(49,691)	-	(49,691)	(163,644)
Exceptional waiver of unsecured loan	26 242,200	-	242,200	-
Exceptional debtor write off	27 (60,000)	-	(60,000)	-
Transfers between funds	25 -	-	-	-
NET MOVEMENT IN FUNDS	<u>132,509</u>	<u>-</u>	<u>132,509</u>	<u>(163,644)</u>
RECONCILIATION OF FUNDS				
Fund Balances brought forward	20 £3,751,772	£25,000	£3,776,772	£3,940,416
Fund Balances carried forward	20 <u>£3,884,281</u>	<u>£25,000</u>	<u>£3,909,281</u>	<u>£3,776,772</u>

The results derive from continuing activities and there are no gains or losses other than those shown above.

The notes on pages 11 - 20 form part of these accounts

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)

COMPANY NUMBER: 06868510

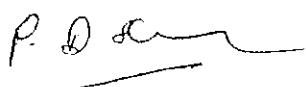
BALANCE SHEET

AS AT 30 JUNE 2022

	<u>Notes</u>	2022 £	2021 £
FIXED ASSETS	11	4,335,675	4,473,117
CURRENT ASSETS			
Stock	12	5,787	3,847
Debtors	13	195,318	131,392
Cash at bank and in hand		196,119	218,153
		<u>397,223</u>	<u>353,392</u>
CREDITORS : amounts falling due within one year			
Creditors	14	(243,004)	(181,702)
NET CURRENT ASSETS		<u>154,219</u>	<u>171,690</u>
CREDITORS : amounts falling due after more than one year	15	(580,614)	(812,657)
PROVISIONS	16	-	(55,378)
NET ASSETS		<u>£3,909,281</u>	<u>£3,776,772</u>
Representing :			
UNRESTRICTED INCOME FUNDS			
General fund	20	3,884,281	3,751,772
RESTRICTED INCOME FUNDS			
Restricted funds	20	25,000	25,000
		<u>£3,909,281</u>	<u>£3,776,772</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 12 April 2023
and signed on their behalf by



Mr P Silvester CBE

Director

The notes on pages 11 - 19 form part of these accounts

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)
COMPANY NUMBER: 06868510

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2022		2021	
	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash provided by (used in) operating activities	a	(89,970)		9,325
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		16		20
Interest paid		(6,242)		-
Proceeds from the sale of fixed assets		-		-
Purchase of property, plant and equipment		(50,471)		(72,702)
Net cash provided by (used in) investing activities		(56,697)		(72,682)
CASH FLOWS FROM FINANCING ACTIVITIES				
New borrowing		150,000		165,000
Repayment of borrowing		(25,367)		(93,000)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		(£22,034)		£8,643
Cash and cash equivalents at the beginning of the reporting period		218,153		209,510
Cash and cash equivalents at the end of the reporting period		<u>£196,119</u>		<u>£218,153</u>

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of net income/(expenditure) with net cash flow from operating activities	<u>2022</u>	<u>2021</u>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	132,509	(163,644)
Adjustments for:		
Depreciation and impairment charges	186,819	184,530
Dividends and interest from investments	(16)	(20)
Interest payable	6,242	-
Waiver of loan	(242,200)	-
Debt written off	60,000	
(Profit)/loss on disposal of fixed assets	1,093	77
(Increase)/decrease in stock	(1,940)	(98)
(Increase)/decrease in debtors	(123,926)	(57,411)
Increase/(decrease) in creditors	(53,174)	26,147
Increase/(decrease) in provision	(55,378)	19,744
Net cash flow provided by (used in) operating activities	<u>(£89,970)</u>	<u>£9,325</u>
b. Components of cash and cash equivalents:	<u>2021</u>	<u>2021</u>
Cash at bank and in hand	<u>£196,119</u>	<u>£218,153</u>

The notes on pages 11 to 19 form part of these accounts.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES

a. Basis of accounting

The Accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Having reviewed the finances of the company, together with the expected on-going demand for service and future projected cashflows, the Trustees have a reasonable expectation that there are adequate resources to continue its activities for the foreseeable future, and that there are no material uncertainties of continuing as a going concern.

This is explained in more detail in Note 24.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

b. Tangible Fixed Assets

Capital assets are capitalised at cost. Tangible fixed assets are depreciated on a straight line basis over their anticipated useful economic lives, using the following annual rates:

Freehold property	2% straight line
General plant and equipment	25% reducing balance
Heat exchanger	5% straight line

Impairment reviews are undertaken to identify the carrying value of fixed assets is appropriate.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

c. Income

All income is recognised on the receivable basis, unless it is deferred, and is exclusive of VAT. Leisure centre membership subscriptions have been recognised in the period that they are paid. Income received that relates to future accounting periods is treated as deferred income and is treated as a liability. Income is allocated to the appropriate accounting period.

d. Grants and donations

Grants received are generally accounted for using the 'performance' model. Grants and Donations receivable for general purposes are credited to Unrestricted Income when entitlement arises, the amount can be quantified, and when receipt is probable. Capital grants are released over the life of the associated assets. Grants and donations for specific purposes are accounted for as receivable and are treated as forming restricted funds.

e. Charitable activities

Charitable expenditure shall include all expenditure directly related to the objects of the Charity.

f. Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. The Charity is able to partially recover VAT and irrecoverable VAT is reported as part of the expenditure to which it relates.

g. Pensions

Employer pension contributions are paid under a defined contribution pension scheme. The assets of the scheme are held separately. Contributions are charged as expenditure in the period for which they become payable to the pension scheme.

h. Governance costs

These costs represent the costs incurred by the Charity in respect of management and administrative expenditure and compliance with statutory and legal requirements.

i. Fund Accounting

Funds held by the charity fall into the following categories:

- (i) Unrestricted general funds:
These are funds which can be used, at the discretion of the trustees, in accordance with the charitable objects of the Charity.
- (ii) Restricted funds:
These are funds which can only be used by the Charity for particular purposes. Restrictions arise either when they are specified by the donor or when funds are raised for a specific purpose. The restriction is that the funds have to be spent on a specific project. It is the policy of the board of trustees to carefully monitor the application of these funds in accordance with the restrictions placed on them.

j. Financial Instruments

The Company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from third parties.

k. Stock

Stock held comprises goods held for resale in the shop and catering supplies for the Café. These are recognised at the lower of cost and net realisable value.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
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FOR THE YEAR ENDED 30 JUNE 2022

2. VOLUNTARY INCOME

	<u>2022</u>	<u>2021</u>
Donations	-	35,000
Grants - Public sector (CJRS, CLRF, and Covid-support)	40,577	302,371
	<u>£40,577</u>	<u>£337,371</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	<u>2022</u>	<u>2021</u>
Leisure centre memberships and admission fees	1,022,691	456,401
	<u>£1,022,691</u>	<u>£456,401</u>

4. OTHER TRADING ACTIVITIES

	<u>2022</u>	<u>2021</u>
Café, shop and other activities	205,664	40,416
Rental income	7,236	5,033
	<u>£212,900</u>	<u>£45,449</u>

5. INVESTMENT INCOME

	<u>2022</u>	<u>2021</u>
Bank deposit interest	16	20
	<u>£16</u>	<u>£20</u>

6. RAISING FUNDS

	<u>2022</u>	<u>2021</u>
Café, shop and other activities expenditure	91,532	29,112
	<u>£91,532</u>	<u>£29,112</u>

7. CHARITABLE ACTIVITIES**a. Costs of Charitable Activities**

	<u>Direct Costs</u>	<u>Support Costs</u>	<u>Total 2022</u>	<u>Total 2021</u>
Operation of RiversMeet Leisure Centre	1,050,525	183,817	1,234,342	973,773
	<u>£1,050,525</u>	<u>£183,817</u>	<u>£1,234,342</u>	<u>£973,773</u>

b. Support Costs

These constitute management and administrative costs which are incurred to enable the charity to carry out its activities. They are made up as follows:

	<u>2022</u>	<u>2021</u>
Management	69,985	63,655
Finance	16,128	7,856
Central office expenses	93,321	34,997
Governance (audit and accountancy)	6,301	8,305
	<u>£185,736</u>	<u>£114,813</u>

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FOR THE YEAR ENDED 30 JUNE 2022

7. CHARITABLE ACTIVITIES

b. Support Costs (Continued)

These costs have been allocated to the charity's charitable activities and governance on the basis of the usage of these resources by the various activities, as follows:

	<u>2022</u>	<u>2021</u>
Charitable activities	183,817	113,514
Other trading activities	1,919	1,299
	<u>£185,736</u>	<u>£114,813</u>

c. Other Expenditure

The charity incurred strategic planning costs of £27,710 relating to work on new income streams and a proposed restructuring (2021: £16,710).

8. NET EXPENDITURE FOR THE YEAR

This is stated after charging (crediting):

	<u>2022</u>	<u>2021</u>
Depreciation	186,819	184,530
Auditor's remuneration	4,000	4,000
Accountancy services provided by Auditor	2,301	4,305
	<u>193,120</u>	<u>192,835</u>

9. STAFF COSTS

	<u>2022</u>	<u>2021</u>
Wages and salaries	640,613	543,775
National insurance	30,313	23,031
Pension contributions	8,396	7,100
	<u>£679,322</u>	<u>£573,906</u>
Average number of employees: Leisure Centre	<u>58</u>	<u>58</u>

No employees were paid £60,000 or higher in either year.

Key management personnel employee benefits (including Employers NI and Pension) were £110,400 (2021: £97,930).

Pension commitments outstanding at the year end were £1,773 (2021: £698)

10. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases were:

	<u>2022</u>	<u>2021</u>
Not later than one year;	4,279	2,400
Later than one year and not later than five years;	80,192	9,000
Later than five years; and	110,625	-
	<u>195,096</u>	<u>11,400</u>

Lease payments recognised as an expense in year were £5,412 (2021: £2,026).

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
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FOR THE YEAR ENDED 30 JUNE 2022

11. TANGIBLE FIXED ASSETS

	<u>Freehold</u>		<u>Total</u>
	<u>Property</u>	<u>Equipment</u>	
COST			
At 1 July 2021	4,962,134	1,054,177	6,016,311
Additions	-	50,471	50,471
Disposals	-	(5,881)	(5,881)
At 30 June 2022	<u>4,962,134</u>	<u>1,098,768</u>	<u>6,060,902</u>
DEPRECIATION			
At 1 July 2021	1,106,051	437,143	1,543,194
Charge for the year	106,590	80,229	186,819
Disposals	-	(4,787)	(4,787)
At 30 June 2022	<u>1,212,641</u>	<u>512,585</u>	<u>1,725,226</u>
NET BOOK VALUE			
At 1 July 2021	<u>£3,856,083</u>	<u>£617,034</u>	<u>£4,473,117</u>
At 30 June 2022	<u>£3,749,493</u>	<u>£586,182</u>	<u>£4,335,675</u>

12. STOCK	<u>2022</u>	<u>2021</u>
Stock - café and retail	5,787	3,847
	<u>£5,787</u>	<u>£3,847</u>

13. DEBTORS	<u>2022</u>	<u>2021</u>
Trade debtors	24,778	64,236
Other debtors within one year	4,320	11,206
Other debtors falling due after one year	-	50,000
Prepayments and accrued income	166,219	5,950
	<u>£195,318</u>	<u>£131,392</u>

14. CREDITORS: Amounts falling due within one year	<u>2022</u>	<u>2021</u>
Loans	121,155	25,367
Trade creditors	49,841	21,549
Other taxes and social security	12,558	8,091
Obligations under finance leases	7,912	45,793
Other creditors	2,583	7,918
Accruals and deferred income	48,955	72,984
	<u>£243,004</u>	<u>£181,702</u>

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15. CREDITORS: Amounts falling after more than one year

	<u>2022</u>	<u>2021</u>
Obligations under finance leases	-	7,912
Other creditors	144,408	155,185
Loan account	436,206	649,560
	<u>£580,614</u>	<u>£812,657</u>

The loan account is made up of three balances:

- North Dorset District Council interest free loan, repayable in equal instalments over 22 years. The final repayment was due in 2039 but the arrangement was reviewed in the wake of the COVID pandemic and repayments resumed in year. The remaining balance due after one year is £207,841.
- Two unsecured loans from an unrelated party, repayable over 5 and 10 years respectively. Combined balance due after one year of £127,600.
- Balance of a Coronavirus Business Interruption Loan Scheme loan due after one year of £100,765.

Loan repayable after more than five years £189,478 (2021: £267,727).

16. PROVISIONS

	<u>2022</u>	<u>2021</u>
Brought forward 01 July 2021	55,378	35,634
Provision made in year for income reclaims	-	24,569
Provision used in year	(55,378)	(4,825)
Carried forward 30 June 2022	<u>-</u>	<u>55,378</u>

17. DEFERRED INCOME

	<u>2021</u>	<u>To SOFA</u>	<u>Movement</u>	<u>2022</u>
Creditors less than one year	44,794	(22,764)	8,947	30,977
Creditors greater than one year	153,343	-	(8,947)	144,396
	<u>£198,137</u>	<u>(£22,764)</u>	<u>-</u>	<u>£175,373</u>

Deferred income is comprised of income paid in advance for services in future years and grants deferred, either over the life of the related asset (capital) or relating to costs incurred in future accounting periods (revenue).

18. ULTIMATE CONTROLLING PARTY

The Gillingham Community and Leisure Trust Limited is a wholly owned subsidiary company of The Three Rivers Partnership (based in the UK in Gillingham, Dorset - Charity Registration number 1106977 Company number 04801788) and is ultimately controlled by the trustees and members of that company. Its objects are to promote the benefit of those who live and work in Gillingham and the surrounding area, including the provision of facilities in the interests of social welfare for recreation and leisure time occupation. Copies of the consolidated accounts can be obtained by writing to Riversmeet, Gillingham.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 30 June 2022 were represented by the following assets and liabilities:

	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022	Total Funds 2021
Tangible fixed assets	4,335,675		4,335,675	4,473,117
Current assets	372,223	25,000	397,223	353,392
Current liabilities	(243,004)	-	(243,004)	(181,702)
Long term liabilities	(580,614)	-	(580,614)	(812,657)
Provisions	-	-	-	(55,378)
	<u>£3,884,281</u>	<u>£25,000</u>	<u>£3,909,281</u>	<u>£3,776,772</u>

19. COMPARATIVE YEAR - ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 30 June 2021 were represented by the following assets and liabilities:

	Unrestricted Funds 2021	Restricted Funds 2021	Total 2021
Tangible fixed assets	4,473,117	-	4,473,117
Current assets	328,392	25,000	353,392
Current liabilities	(181,702)	-	(181,702)
Long term liabilities	(812,657)	-	(812,657)
Provisions	(55,378)	-	(55,378)
	<u>£3,751,772</u>	<u>£25,000</u>	<u>£3,776,772</u>

20. FUNDS

	Balance 30.06.2021	Income	Expenditure	Transfers (See note 25)	Balance 30.06.2022
Unrestricted funds					
General fund	3,751,772	1,484,303	(1,351,794)		3,884,281
Restricted funds					
Community facilities	25,000	34,080	(34,080)	-	25,000
	<u>£3,776,772</u>	<u>£1,518,383</u>	<u>(£1,385,874)</u>	<u>£-</u>	<u>£3,909,281</u>

Purposes of Restricted Funds

Community facilities

The charity is responsible for the provision of community services

COMPARATIVE YEAR - FUNDS

	Balance 30.06.2020	Income	Expenditure	Transfers (See note 25)	Balance 30.06.2021
Unrestricted funds					
General fund	298,064	839,241	(818,278)	3,432,745	3,751,772
Restricted funds					
Leisure Centre refurbishment	3,642,352	-	(184,607)	(3,432,745)	25,000
	<u>£3,940,416</u>	<u>£839,241</u>	<u>(£1,002,885)</u>	<u>£-</u>	<u>£3,776,772</u>

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

21. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No trustee or person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period, nor received any remuneration.

However, a member of Gillingham Town Council was also a director of the charity and a historic debt to the Council of £60,000 was waived in year (see note 27). The interest was declared and the individual excused himself from all related decisions.

Additionally the Trust received a grant of £2,569 from the Council to cover the costs of remedial works to car park drainage.

The Trust also settled some invoices on behalf of Thrive Services CIC, which is a fellow subsidiary of its parent, the Three Rivers Partnership. These totalled £11,383 but, as the planned strategic agenda has changed and the company is being closed, the costs have been written off.

22. SUBSIDIARY COMPANY

Thrive Community Services Limited is a wholly owned subsidiary company of The Gillingham Community and Leisure Trust Limited. The subsidiary company is dormant and has never traded.

23. CAPITAL COMMITMENTS

The charity has £15,208 of capital commitments at 30 June 2022, relating to the construction of the Space Inflators facility (2021: £nil).

24. IMPACT OF COVID-19 AND ENERGY COST PRESSURES

Activity has rallied post the Covid-19 pandemic and most, but not all income streams, have recovered to historic levels. Nonetheless the leisure centre is operating at close to capacity and has limited opportunities to grow income further on the main site, although opportunities remain at the satellite Space Inflators venue.

Against this background, the impacts of global fuel prices and government policy are creating significant cost pressures, despite the introduction of heat exchangers in recent years that have reduced energy requirements. The leisure centre has put in place a range of energy saving measures and now plans to install solar panels to further mitigate this effect in 2022/23.

The trustees have prepared budgets and cashflow forecasts up to 30 June 2024. These are considered to reflect reasonable assumptions about leisure centre membership, activity and costs. While the cashflow forecasts remain tight throughout 2022/23 and 2023/24, Trustees are confident that financial risks are mitigated by management plans and have concluded that the charity is a going concern. Therefore the accounts have therefore been prepared on the going concern basis.

25. PRIOR YEAR FUND TRANSFERS

Historically the bulk of restricted funds related to grants and loans to fund the refurbishment and operation of the leisure centre. This funding has been expended on fixed assets, either the leisure centre building and equipment. Therefore in the previous year, the trustees were satisfied that the initial restrictions had been met, and that it was appropriate to treat the net assets as unrestricted funds. Accordingly the balance was transferred at the 2021 year end, apart from the £25k of funds transferred from the Three Rivers Partnership for the provision of community facilities.

In the event of the charitable company being wound up or dissolved the remaining net assets will be transferred to a charity with similar charitable objects.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

26. POST BALANCE SHEET EVENTS

Discussions were underway at the year end as to the waiver of an unsecured loan of £242,200. The decision had been notified by the unrelated third party lender but the final confirmation was only received in October 2022. This has been treated as an adjusting post balance sheet event and is disclosed as an exceptional item in the SOFA.

27. EXCEPTIONAL ITEMS

During the year, in discussions with Gillingham Town Council, it was agreed that a £60,000 debtor for deferred consideration relating to the transfer of a parcel of land in February 2018 would be waived as the original terms of the agreement could not be met by either party.

THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED
(LIMITED BY GUARANTEE)

28. COMPARATIVE YEAR STATEMENT OF FINANCIAL ACTIVITIES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2021

	<u>Notes</u>	<u>Unrestricted</u> <u>Fund</u> <u>2021</u> <u>£</u>	<u>Restricted</u> <u>Fund</u> <u>2021</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2021</u> <u>£</u>
INCOME AND ENDOWMENTS FROM:				
Donations, legacies and grants	2	337,371	-	337,371
Charitable activities	3	456,401	-	456,401
Other trading income	4	45,449	-	45,449
Investment income	5	20	-	20
Total Income		839,241	-	839,241
EXPENDITURE ON:				
Raising funds	6	29,112	-	29,112
Charitable activities	7	772,456	184,607	957,063
Other expenditure	7	16,710	-	16,710
Total Expenditure		818,278	184,607	1,002,885
Net income/(expenditure)		20,963	(184,607)	(163,644)
Transfers between funds	25	3,432,745	(3,432,745)	-
NET MOVEMENT IN FUNDS		3,453,708	(3,617,352)	(163,644)
RECONCILIATION OF FUNDS				
Fund Balances brought forward	20	£298,064	£3,642,352	£3,940,416
Fund Balances carried forward	20	£3,751,772	£25,000	£3,776,772

The results derive from continuing activities and there are no gains or losses other than those shown above.