

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**

**STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 2023**

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**FLETCHER & PARTNERS**

**CHARTERED ACCOUNTANTS**

**SALISBURY**

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**

**COMPANY INFORMATION**

<b>Directors:</b>	Mr P D Silvester CBE (Chair)	
	Mr M B Chapman	Appointed 23 January 2024
	Miss L Day	Appointed 23 January 2024
	Mr R H Messer	
	Mr G C Pledger	Appointed 10 May 2023
	Mr M Walden	
	Mr S C Ward	Appointed 10 May 2023
	Ms L M Wild	Resigned 25 October 2023

<b>Key Management Personnel</b>	Mr A Waistell/Mr J Parry	General Manager
	Mr J Parry/Ms L Westby	Operations Manager
	Mr W Magee	Finance Manager

**Registered Office** Riversmeet, Hardings Lane, Gillingham, Dorset, SP8 4HX

<b>Advisers:</b>	Bankers	Lloyds Bank plc
	Accountants	Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury SP1 2LZ
	Solicitors	Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB

**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 2023**

The Trustee Directors (hereinafter referred to as Trustees) present the Annual Report and Accounts for the year ended 30 June 2023, 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 RiversMeet Performance (including 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, seeing itself as providing a vital service as a community hub. The Charity is managed on a self-sustaining basis. It operates a café on both sites and sells a selection of swimming related items at the Riversmeet Centre.

## **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.

## **STRATEGIC REVIEW**

### **ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY**

2022-2023 was a year characterised by commercial challenges and significant turbulence in the Charity's senior leadership team. Following the fragmented trading as a result of the 'COVID years' (2020-22) the Charity made strenuous efforts to mount its commercial recovery. During 2021-22 the Board of Trustees suffered a period of significant disruption with several experienced trustees leaving – this resulted in a period when the Charity's senior leaders were less well supported than hitherto.

As a result of the loyalty of our members/users, our key role as a community hub, and energetic leadership, it has become evident that the Charity's medium-term prospects were associated with growth rather than purely survival. An energetic new General Manager was appointed in September 2022 by a newly re-constituted Board of Trustees which rapidly sought to ensure that it was well-informed and capable of exercising its strategic functions appropriately. For several months the new Board's activities were characterised by a) playing 'catch up' in terms of new learning and b) agreeing and framing the Board's own corporate processes and practice.

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. Alongside the government's Covid vaccination programme, the whole business has demonstrated a remarkable return to pre-Covid membership numbers.

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY (continued)**

The Board has:

Led the development of a more professional approach to the practice of recruiting and selecting new staff.

Agreed a new staffing structure with the General Manager (and this has involved the appointment of the new position of Deputy General Manager).

Supported the General Manager in appointing a number of new Duty Managers in order to replace staff who have departed.

Successfully navigated through a period of challenging corporate governance.

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

Strategic direction: agreed to a) redouble our efforts to stem the losses at our second site ('Space Inflaters'), b) pursue our solar array with Conrad Energy to provide some 60% of our electricity in the future, c) continue to devote our short-term strategic efforts to ensure that the launch of our second gym happens in a timely and commercially astute manner and d) to review and replace our lapsed Business Plan 2015-21 in the coming year

Developing community relationships: strengthened our relationship with Gillingham Town Council (including making a presentation to the full Town Council on 24 July 2023), strengthened our relationship with Dextra throughout the construction project and developed a productive commercial relationship with Shaftesbury Town Council (through offering consultancy to manage Shaftesbury's Lido for the 2023 summer season, from March 2023 onwards), so producing a new income stream

New Gym: obtained full planning permission to support the more extensive use of our second site, at Space Inflaters (with Dextra as landlords) which is having a large extension constructed by Dextra which is due for completion in autumn 2023. We continue to plan for the launch of a new state-of-the-art Strength and Conditioning Gym in our new building.

Finance: successfully applied for a new consolidated loan (this activity was effectively led by our Finance Manager) from the Social Investment Board to support expenditure on our new Strength and Conditioning Gym (£169,950 – to be repaid by 2028) and successfully applied to Dorset Council for £57,456 Section 106 funding (in partnership with Magna Housing) to support continued improvements at our base site.

Re-imagining Space Inflaters: Our second site ('Space Inflaters') continues to lose money, despite significant re-organisation, operational changes and reductions in staffing in order to reduce these losses. After many months of trying different ways forward, the trustees have taken the decision to re-house Gymnastics (which is a successful and growing area of the business) at the second site from September 2023 onwards.

Promoting GP Referrals: supported the General Manager and the Fitness Manager in promoting the use of our community leisure centre for a growing number of GP Referrals, in partnership with local GP practices and community health professionals. This is an important aspect of our role in promoting positive physical and mental health together with the development of a new income stream for the business (with over 40% of GP referrals becoming members).

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

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

Supported the reduction of our energy consumption by almost 40% as a result of active management (with the General Manager championing this) and the introduction of further energy saving equipment (e.g. the installation of 4th generation LED lighting etc.).

Continue to purchase our energy at the best possible market rates through our energy broker (our General Manager and our Finance Manager are particularly focused on this vital area). In parallel, we are having a large solar array installed (in partnership with Conrad Energy) so that we can take advantage of predictable and cheaper energy from a sustainable source, going forwards, using a Power Purchase Agreement (PPA). This installation will be completed in July/August 2023.

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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. The Board has developed a new process for selecting additional trustees: potential new trustees are considered for appointment after the completion of a questionnaire and after they have had the opportunity to meet all the trustees informally. The Board then makes a considered decision in terms of appointing new trustees who offer the Board added value. New trustees are provided with training after they have been appointed together with a significant library of key contextual documentation.

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 2022-23. The Board has become much more confident in its capacity to offer strategic direction, developing its own corporate sense of identity during this formative period. The Board will continue to improve its effectiveness and expects to strengthen its capacity to offer appropriate strategic support to the business during 2023-24

**THE ORGANISATIONAL STRUCTURE OF THE CHARITY AND HOW DECISIONS ARE MADE**

The Board of trustees meets regularly on a monthly basis as a full Board with face-to-face meetings. The Board reviews the operation of the business, holding the General Manager and his staff to account and takes all the key strategic and investment decisions as a corporate entity. The Board is informed by regular monthly reports from the General Manager and the Finance Manager and occasional staff presentations. The day-to-day operation of the business 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.

**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 energy crisis, the challenge of securing the optimum operational effectiveness for both our Air Source Heat Pumps and our hot water system and the current inflationary pressures on business (particularly in relation to wage inflation and loss-making activities at 'Space Inflators').

**FINANCIAL REVIEW**

The company received income of £1,531,578 (2022: £1,276,183), the vast majority of which was membership and admission fees from users of the RiversMeet Leisure Centre, and in 22/23 the Space Inflators site also, of £1,158,331 (2022: £1,022,690. Income from the cafes on both sites in 22/23 was £345,037, (2022: Riversmeet only £205,664). The company incurred expenditure of £1,679,225 (2022: £1,325,874). The company has recorded a deficit of £147,647 compared to a deficit of £49,691 for the previous year, the increase due to increased staff and energy costs. In both years there were operating surpluses before depreciation charges are recognised.

The company had net assets at 30 June 2023 of £3,761,634 (2022: £3,909,281). Cash at 30 June 2023 was £41,950 compared with £196,119 in the prior year.

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

## **THE FUTURE**

The Trustees are excited at the prospects for growth in the immediate future. The new Board of trustees has a strong mix of different talents, a more effective understanding of corporate governance and a great deal of enthusiasm to support GCLT and all its interests, going forwards. The Board is 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 organisation the imaginative strategic guidance and oversight which it needs.
2. Strengthening the Board of Trustees further through the appointment of trustees with complementary skill sets and experience, on a needs-led basis
3. 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.
4. Consolidating and maintaining 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 [ASHPs], the remote management of our ASHPs, our hot water system) is working efficiently with suitable arrangements for maintenance involving specialist technical support.
5. Working towards the successful launch of our new state-of-the-art Strength and Conditioning Gym and supporting the General Manager who is acting as the project manager of this important initiative. Improve marketing in partnership with community organisations, Gillingham Town Council, local employers etc. Maximise all opportunities for cross-marketing at both sites.
6. Improving communication and marketing in partnership with community stakeholders, Gillingham Town Council, Gillingham School, local employers (esp. Dextra) etc. Maximise all opportunities for cross-marketing at both sites and consider the need to commission external marketing consultancy for the launch of our state-of-the-art Strength and Conditioning Gym.

## **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:

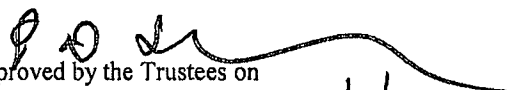
- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgements and estimates that are reasonable and prudent;
- 3) State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained 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  
 Mr P Silvester CBE

19/3/2024

**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 2023 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 2023 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.

**Material uncertainty related to going concern**

We draw attention to Notes 1a and 24 to the financial statements, in which Trustees indicate that a material uncertainty exists as to whether the company may be able to continue as a going concern. Our opinion is not modified in respect of this matter

**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](http://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

26 March 2024

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING INCOME & EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30 JUNE 2023**

<u>Notes</u>	<u>Unrestricted</u> <u>Fund</u> <u>2023</u> <u>£</u>	<u>Restricted</u> <u>Fund</u> <u>2023</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2023</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2022</u> <u>£</u>
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations, legacies and grants	2	9,803	-	9,803
Charitable activities	3	1,158,332	-	1,158,332
Other trading income	4	363,191	-	363,191
Investment income	5	253	-	253
<b>Total Income</b>		<u>1,531,578</u>	<u>-</u>	<u>1,531,578</u>
<b>EXPENDITURE ON:</b>				
Raising funds	6	154,022	-	154,022
Charitable activities	7	1,517,621	-	1,517,621
Other expenditure	7	7,580	-	7,580
<b>Total Expenditure</b>		<u>1,679,223</u>	<u>-</u>	<u>1,679,223</u>
<b>Net income/(expenditure)</b>		(147,645)	-	(147,645)
<b>Exceptional waiver of unsecured loan</b>		-	-	-
<b>Exceptional debtor write off</b>		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>(147,645)</u>	<u>-</u>	<u>(147,645)</u>
<b>RECONCILIATION OF FUNDS</b>				
Fund Balances brought forward	20	<u>£3,884,281</u>	<u>£25,000</u>	<u>£3,909,281</u>
Fund Balances carried forward	20	<u>£3,736,636</u>	<u>£25,000</u>	<u>£3,761,636</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 2023**

	<u>Notes</u>	<b>2023</b> £	<b>2022</b> £
<b>FIXED ASSETS</b>	<b>11</b>	4,375,203	4,335,676
<b>CURRENT ASSETS</b>			
Stock	12	10,913	5,787
Debtors	13	23,248	195,317
Cash at bank and in hand		41,950	196,119
		<u>76,110</u>	<u>397,223</u>
<b>CREDITORS : amounts falling due within one year</b>			
Creditors	14	(187,472)	(243,004)
<b>NET CURRENT ASSETS</b>		<u>(111,361)</u>	<u>154,219</u>
<b>CREDITORS : amounts falling due after more than one year</b>	<b>15</b>	(502,206)	(580,614)
<b>PROVISIONS</b>	<b>16</b>	-	-
<b>NET ASSETS</b>		<u>£3,761,636</u>	<u>£3,909,281</u>
Representing :			
<b>UNRESTRICTED INCOME FUNDS</b>			
General fund	20	3,736,636	3,884,281
<b>RESTRICTED INCOME FUNDS</b>			
Restricted funds	20	25,000	25,000
		<u>£3,761,636</u>	<u>£3,909,281</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  
and signed on their behalf by

19/3/2024



Mr P Silvester CBE

Director

The notes on pages 11 - 20 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 2023**

	<u>2023</u>		<u>2022</u>	
	£	£	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net cash provided by (used in) operating activities	a	233,608	(89,970)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received		253	16	
Interest paid		(12,430)	(6,242)	
Proceeds from the sale of fixed assets		-	-	
Purchase of property, plant and equipment		(256,312)	(50,471)	
Net cash provided by (used in) investing activities		(268,489)	(56,697)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
New borrowing		-	150,000	
Repayment of borrowing		(119,288)	(25,367)	
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		(£154,169)	(£22,034)	
Cash and cash equivalents at the beginning of the reporting period		196,119	218,153	
Cash and cash equivalents at the end of the reporting period		<u>£41,950</u>	<u>£196,119</u>	

**NOTES TO THE CASH FLOW STATEMENT**

<b>a. Reconciliation of net income/(expenditure) with net cash flow from operating activities</b>	<u>2023</u>	<u>2022</u>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(147,645)	132,509
Adjustments for:		
Depreciation and impairment charges	215,053	186,819
Dividends and interest from investments	(253)	(16)
Interest payable	12,430	6,242
Waiver of loan	-	(242,200)
Debt written off	-	60,000
(Profit)/loss on disposal of fixed assets	1,733	1,093
(Increase)/decrease in stock	(5,126)	(1,940)
(Increase)/decrease in debtors	172,069	(123,925)
Increase/(decrease) in creditors	(14,652)	(53,174)
Increase/(decrease) in provision	-	(55,378)
Net cash flow provided by (used in) operating activities	<u>£233,608</u>	<u>(£89,970)</u>
<b>b. Components of cash and cash equivalents:</b>	<u>2023</u>	<u>2022</u>
Cash at bank and in hand	<u>£41,950</u>	<u>£196,119</u>

The notes on pages 11 to 20 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 2023**

## **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, but recognise there are material uncertainties in reaching this conclusion.

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 and LED lighting	5% straight line
RM2 equipment and building improvements	10% straight line

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

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
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**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**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. VOLUNTARY INCOME**

	<u>2023</u>	<u>2022</u>
Donations	-	-
Grants - Public sector	9,803	40,577
	<u>£9,803</u>	<u>£40,577</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<u>2023</u>	<u>2022</u>
Leisure centre memberships and admission fees	1,158,332	1,022,690
	<u>£1,158,332</u>	<u>£1,022,690</u>

**4. OTHER TRADING ACTIVITIES**

	<u>2023</u>	<u>2022</u>
Café, shop and other activities	345,036	205,664
Rental income	18,154	7,236
	<u>£363,191</u>	<u>£212,900</u>

**5. INVESTMENT INCOME**

	<u>2023</u>	<u>2022</u>
Bank deposit interest	253	16
	<u>£253</u>	<u>£16</u>

**6. RAISING FUNDS**

	<u>2023</u>	<u>2022</u>
Café, shop and other activities expenditure	154,022	91,532
	<u>£154,022</u>	<u>£91,532</u>

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

	<u>Direct Costs</u>	<u>Support Costs</u>	<u>Total 2023</u>	<u>Total 2022</u>
Operation of RiversMeet Leisure Centre	1,306,173	219,029	1,525,201	1,234,342
	<u>£1,306,173</u>	<u>£219,029</u>	<u>£1,525,201</u>	<u>£1,234,342</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>2023</u>	<u>2022</u>
Management	83,099	69,985
Finance	19,091	16,128
Central office expenses	109,356	93,321
Governance (audit and accountancy)	8,084	6,301
	<u>£219,629</u>	<u>£185,735</u>

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
**(LIMITED BY GUARANTEE)**  
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**FOR THE YEAR ENDED 30 JUNE 2023**

**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>2023</u>	<u>2022</u>
Charitable activities	219,029	183,816
Other trading activities	601	1,919
	<u>£219,629</u>	<u>£185,735</u>

**c. Other Expenditure**

The charity incurred strategic planning costs of £6,750 relating to work on new income streams and settled a number of costs totalling £830 associated with a proposed restructuring (2022: £27,710).

**8. NET EXPENDITURE FOR THE YEAR**

This is stated after charging (crediting):

	<u>2023</u>	<u>2022</u>
Depreciation	215,053	186,819
Auditor's remuneration	4,250	4,000
Accountancy services provided by Auditor	3,834	2,301
	<u>219,137</u>	<u>193,120</u>

**9. STAFF COSTS**

	<u>2023</u>	<u>2022</u>
Wages and salaries	793,798	640,613
National insurance	40,733	30,313
Pension contributions	10,796	8,396
	<u>£845,327</u>	<u>£679,322</u>
Average number of employees: Leisure Centre	<u>66</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 £123,788 (2022: £110,400).

Pension commitments outstanding at the year end were £2,188 (2022: £1,773)

**10. OPERATING LEASES**

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

	<u>2023</u>	<u>2022</u>
Not later than one year;	7,570	4,279
Later than one year and not later than five years;	99,362	80,192
Later than five years; and	88,125	110,625
	<u>195,057</u>	<u>195,096</u>

Lease payments recognised as an expense in year were £6,883 (2022: £5,412).



**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**11. TANGIBLE FIXED ASSETS**

	<u>Freehold</u> <u>Property</u>	<u>Equipment</u>	<u>Total</u>
<b>COST</b>			
At 1 July 2022	4,962,134	1,098,768	6,060,902
Additions	-	256,312	256,312
Disposals	-	(11,785)	(11,785)
At 30 June 2023	<u>4,962,134</u>	<u>1,343,296</u>	<u>6,305,430</u>
<b>DEPRECIATION</b>			
At 1 July 2022	1,190,522	534,704	1,725,226
Charge for the year	99,243	115,810	215,053
Disposals	-	(10,052)	(10,052)
At 30 June 2023	<u>1,289,765</u>	<u>640,461</u>	<u>1,930,226</u>
<b>NET BOOK VALUE</b>			
At 1 July 2022	<u>£3,771,612</u>	<u>£564,064</u>	<u>£4,335,676</u>
At 30 June 2023	<u>£3,672,369</u>	<u>£702,834</u>	<u>£4,375,203</u>

<b>12. STOCK</b>	<u>2023</u>	<u>2022</u>
Stock - café and retail	10,913	5,787
	<u>£10,913</u>	<u>£5,787</u>

<b>13. DEBTORS</b>	<u>2023</u>	<u>2022</u>
Trade debtors	11,478	24,778
Other debtors within one year	-	4,320
Other debtors falling due after one year	-	-
Prepayments and accrued income	11,770	166,219
	<u>£23,248</u>	<u>£195,317</u>

<b>14. CREDITORS: Amounts falling due within one year</b>	<u>2023</u>	<u>2022</u>
Loans	78,160	121,155
Trade creditors	32,373	49,841
Other taxes and social security	17,558	12,558
Obligations under finance leases	-	7,912
Other creditors	1,862	2,583
Accruals and deferred income	57,520	48,955
	<u>£187,472</u>	<u>£243,004</u>

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
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**FOR THE YEAR ENDED 30 JUNE 2023**

**15. CREDITORS: Amounts falling after more than one year**

	<u>2023</u>	<u>2022</u>
Obligations under finance leases	-	-
Other creditors	142,294	144,408
Loan account	359,912	436,206
	<u>£502,206</u>	<u>£580,614</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 £193,750.
- Two unsecured loans from an unrelated party, repayable over 5 and 10 years respectively. Combined balance due after one year of £107,067.
- Balance of a Coronavirus Business Interruption Loan Scheme loan due after one year of £93,393.

Loan repayable after more than five years £176,020 (2022: £189,478).

**16. PROVISIONS**

	<u>2023</u>	<u>2022</u>
Brought forward 01 July 2022	-	55,378
Provision made in year for income reclaims	-	-
Provision used in year	-	(55,378)
Carried forward 30 June 2023	<u>-</u>	<u>-</u>

**17. DEFERRED INCOME**

	<u>2022</u>	<u>To SOFA</u>	<u>Movement</u>	<u>2023</u>
Creditors less than one year	30,977	(9,803)	4,398	25,572
Creditors greater than one year	144,396	-	(2,102)	142,294
	<u>£175,373</u>	<u>(£9,803)</u>	<u>2,296</u>	<u>£167,866</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 2023**

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 30 June 2023 were represented by the following assets and liabilities:

	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023	Total Funds 2022
Tangible fixed assets	4,375,203	-	4,375,203	4,335,676
Current assets	51,110	25,000	76,110	397,223
Current liabilities	(187,472)	-	(187,472)	(243,004)
Long term liabilities	(502,206)	-	(502,206)	(580,614)
Provisions	-	-	-	-
	<u>£3,736,636</u>	<u>£25,000</u>	<u>£3,761,636</u>	<u>£3,909,281</u>

**19. COMPARATIVE YEAR - 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
Tangible fixed assets	4,335,676	-	4,335,676
Current assets	372,223	25,000	397,223
Current liabilities	(243,004)	-	(243,004)
Long term liabilities	(580,614)	-	(580,614)
Provisions	-	-	-
	<u>£3,884,281</u>	<u>£25,000</u>	<u>£3,909,281</u>

**20. FUNDS**

	Balance 30.06.2022	Income	Expenditure	Transfers	Balance 30.06.2023
<b>Unrestricted funds</b>					
General fund	3,884,281	1,531,578	(1,679,223)	-	3,736,636
<b>Restricted funds</b>					
Community facilities	25,000	-	-	-	25,000
	<u>£3,909,281</u>	<u>£1,531,578</u>	<u>(£1,679,223)</u>	<u>£-</u>	<u>£3,761,636</u>

**Purposes of Restricted Funds**

Community facilities

The charity is responsible for the provision of community services

**COMPARATIVE YEAR - FUNDS**

	Balance 30.06.2021	Income	Expenditure	Transfers	Balance 30.06.2022
<b>Unrestricted funds</b>					
General fund	3,751,772	1,484,303	(1,351,794)	-	3,884,281
<b>Restricted funds</b>					
Community facilities	25,000	34,080	(34,080)	-	25,000
	<u>£3,776,772</u>	<u>£1,591,578</u>	<u>(£1,733,803)</u>	<u>£-</u>	<u>£3,909,281</u>

**THE GILLINGHAM COMMUNITY AND LEISURE TRUST LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 director of the charity is also a member of Shaftesbury Town Council, who engaged the charity to provide management consultancy and train lifeguards at a total cost of £7,265.

The charity also paid Wyndham Software £6,750 for work on prospective business development plans. The previous General Manager became a director of the company in the year.

The Trust also settled some costs on behalf of Thrive Services CIC, which is a fellow subsidiary of its parent, the Three Rivers Partnership. These totalled £830 but, as the planned strategic agenda has changed and the company has been 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 no capital commitments at 30 June 2023 (2022: £15,208).

**24. IMPACT OF RECENT EXPANSION AND COST PRESSURES**

While Riversmeet activity has rallied post the Covid-19 pandemic, with membership numbers and income at record levels, the recent expansion into a second site is still at an early stage, and the offering is being constantly refined to maximise use and therefore income. While currently Space Inflators and Gymnastics activity has not yet reached budgeted levels, Trustees believe the recent opening of the new RiversMeet Performance gym will see sustainable surplus created from the site as a whole.

So while there is some uncertainty around future income, the Trustees main focus is on managing cost pressures. There are three principal areas of concern:

- 1) the cost of announced increases in the National Minimum Wage and finding the most efficient staffing model across the two sites

Trustees are currently reviewing staff rotas and staff levels, across the two sites, in hand with a review of pricing.

- 2) the outcome of an insurance claim for the repair of two heat pumps and lost earnings caused by the interruption to business in December 2023 and January 2024.

Trustees are in discussion with their insurers but this is at an early stage.

- 3) increased energy costs

Trustees have implemented a range of actions to mitigate costs (the installation of heat pumps and solar panels, and move to LED lighting), which have both reduced energy usage and the Kwh price of energy.

The Trustees have prepared budgets and cashflow forecasts up to 30 June 2025. These are considered to reflect reasonable assumptions about leisure centre membership, activity and costs. While the cashflow forecasts remain tight throughout 2023/24 and 2024/25, 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.

**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 2022**

<u>Notes</u>	<u>Unrestricted</u> <u>Fund</u> <u>2022</u> <u>£</u>	<u>Restricted</u> <u>Fund</u> <u>2022</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2022</u> <u>£</u>
<b>INCOME AND ENDOWMENTS FROM:</b>			
Donations, legacies and grants	2	40,577	-
Charitable activities	3	1,022,691	-
Other trading income	4	178,820	34,080
Investment income	5	16	-
<b>Total Income</b>		<u>1,242,103</u>	<u>34,080</u> <u>1,276,183</u>
<b>EXPENDITURE ON:</b>			
Raising funds	6	91,532	-
Charitable activities	7	1,172,552	34,080
Other expenditure	7	27,710	-
<b>Total Expenditure</b>		<u>1,291,794</u>	<u>34,080</u> <u>1,325,874</u>
<b>Net income/(expenditure)</b>		(49,691)	-
<b>Exceptional waiver of unsecured loan</b>	26	242,200	-
<b>Exceptional debtor write off</b>	27	(60,000)	-
<b>Transfers between funds</b>	25	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>132,509</u>	<u>-</u> <u>132,509</u>
<b>Fund Balances brought forward</b>	20	<u>£3,751,772</u>	<u>£25,000</u> <u>£3,776,772</u>
<b>Fund Balances carried forward</b>	20	<u>£3,884,281</u>	<u>£25,000</u> <u>£3,909,281</u>

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