

South Durham Gymnastics

Annual report

For the year ended 30 June 2022

South Durham Gymnastics

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South Durham Gymnastics

Reference and administrative details
For the year ended 30 June 2022

Trustees	Paul Anderson Craig Bell Marion Gates Gordon McDonald Tracy McKeown
Charity registered number	1157394
Principal office	1 Flambard Drive Bishop Auckland County Durham DL14 7GG
Accountants	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE

South Durham Gymnastics

Trustees' report For the year ended 30 June 2022

The trustees present their annual report together with the financial statements of the charity South Durham Gymnastics for the year ended 30 June 2022.

Objectives and activities

● Policies and objectives

The principal objective of the charity is to promote the healthy recreational opportunities for the benefit of South West Durham residents as well as the wider community. This is achieved through the provision of facilities for participating in gymnastics and gymnastic related activities under the guidance of qualified and enthusiastic coaches.

The activities of the charity, which is affiliated to British Gymnastics, include training and coaching for members, and the organisation of club and open gymnastics competitions.

In accordance with the Charities Act 2011, the trustees have referred to the guidance contained in the Charities Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning future activities.

Achievements and performance

● Review of activities

The charity provides a safe, effective and child friendly environment in which members can participate in and explore gymnastics / gymnastic related activities at every level of participation, from birth to adults. This is delivered under the guidance of a board of trustees and two very experienced and dedicated Head Coaches, further supported by approximately 32 full and part time staff, and several volunteers.

The charity has circa 2,000 visits a week, made up of recreational participants (average of 775 per week), squad gymnasts (average of 175), adults, baby gym attendees, special needs, school visits, university students and underprivileged groups. Waiting lists continue to stand at around 1,000 people.

All age-appropriate squad gymnasts have the opportunity to take part in various competitions throughout the year, including Club, County, Regional and National events.

The successes this year have included:

- Implementing a new timetable, combining operational methods from before and throughout the pandemic
- Introducing a new squad / competitive structure and pathway to allow for a more seamless transitions into, and between competitive groups
- Reintroduction of competitions hosted by the charity, the first since February 2020
- 1 gymnast selected for England Squad
- 20 gymnasts selected for the North of England Regional Squad
- Redesign and installation of 7 large feature canvasses throughout the gymnastics hall, representing the core values of the charity
- £18,000 secured from the local Area Action Partnership (Spennymoor AAP) to purchase new 4,000 foam units and socks to top up the 3 foam pits within the gymnastics hall
- £12,000 raised via Crowdfunder and an additional £6,000 secured from Sport England to replace and improve worn and torn equipment throughout the gym
- 1 x staff member passing High Performance Coaching Qualification (Level 5)
- 1 x staff member passing Level 4 Coaching Qualification
- 3 x staff members passing Level 2 Coaching Qualifications
- 2 x staff members passing Level 1 Coaching Qualifications
- 1 x staff member passing Brevet Judging exam - now qualified as an International Judge
- 1 x staff awarded 2021 Home Nation Regional Award of Merit by British Gymnastics
- Recruiting a Level 1 coach to support the charity

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Trustees' report (continued) For the year ended 30 June 2022

Achievements and performance (continued)

- Recruiting an Apprentice, associated with office administration and coaching
- Policies & Procedures continue to be updated and improved, and the club works diligently to be continuously GDPR compliant

• Financial review

The charity generated income of £536,825 (2021: £394,615) during the year and incurred expenditure of £648,665 (2021: £410,617). The trustees are very pleased with the results of the charity in its seventh year, considering it was forced to close due to the COVID-19 pandemic, and believe there is a solid foundation for the charity to develop in future years, as we emerge from the pandemic.

• Reserves policy

Trustees aim to hold between three and six months running costs as free reserves. The charity's unrestricted reserves currently stand at £5,955, of which £64,616 is tied up in fixed assets leaving a deficit of £58,661 as free reserves. This is below the level set by the Trustees. However, given the economic circumstances caused by the Covid-19 pandemic and the higher than normal legal costs to challenge the suspensions of the 2 coaches, the trustees are satisfied with this position and will continue to aim to build reserves within the charity based on increasing capacity.

• Going concern

Higher than planned expenditure has incurred as a result of challenging the rulings on the suspension of 2 coaches which are not expected to recur in future periods. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Cashflow forecasts are updated on a monthly basis and reviewed by management and trustees.

As a result, after making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

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Trustees' report (continued) For the year ended 30 June 2022

Structure, governance and management

• Structure

The charity was incorporated as a Charitable Incorporated Organisation (registered charity number 1157394) on 9 June 2014.

• Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed. Induction is provided to new trustees if required.

• Management

There are existing concerns for the Charity linked to the ongoing reports of abuse within gymnastics. Following complaints submitted against the Charity, two coaches have been suspended as investigations take place by British Gymnastics. Both the Charity and the coaches involved have been fully compliant throughout the investigation(s), which have been ongoing since April 2020. Trustees, coaches, gymnasts and parents have all participated in interviews / provided evidence to support the ongoing Whyte Review.

Furthermore, the Charity has conducted a full review of its Policies and Procedures and has continued to deliver training to its employees, as it does every year. In November 2020, the Charity was visited by the British Gymnastics Regional Welfare Officer (RWO). The RWO compiled a glowing 10-page report for the Charity, and released the following statement:

'The club has robust arrangements for safeguarding and a child-centred culture is evident. The welfare officer has an active and visible role in the club. The club is effectively engaged with the RWO. No significant areas of concern have been identified.'

The trustees have every confidence that suspensions will be lifted in the coming months and the coaches in question will be allowed to return to work.

• Risk management

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

Given the situation described above, a full review of safeguarding risk has been carried out both during and since the period end and the trustees are satisfied that the charity are fully compliant with all regulations and provide a safe environment in which all gymnasts can thrive.

South Durham Gymnastics

Trustees' report (continued)
For the year ended 30 June 2022

Plans for future periods

Aims for the 2022/23 financial year include:

- Continuing to be a GDPR compliant club, ensuring relevant system and operating standard updates
- Continuing to offer excellent customer service and coaching to everyone that enters the charity facility
- Streamlining the bespoke CRM system and website to increase capacity, functionality and efficiency
- Developing / running fundraising events and competitions to raise funds for the charity
- Reintroduction of the Pink Ladies Invitational for the first time since 2019
- 1 x Level 3 coach to complete their course and assessment (delayed due to COVID)
- 5 x Level 2 coaches to begin their Level 3 qualification
- Increasing the number of Level 1 & 2 coaches in the club
- Supporting staff members to complete / revalidate Club & Regional Judging courses
- 1 x coach to complete their National Judging course

Approved by order of the members of the board of trustees on 24 April 2023 and signed on their behalf by:



P Anderson
(Trustee)

South Durham Gymnastics

Statement of Trustees' responsibilities For the year ended 30 June 2022

The trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Approved by order of the members of the board of Trustees on 24 April 2023 and signed on its behalf by:



Paul Anderson
(Trustee)



Independent examiner's report **For the year ended 30 June 2022**

Independent examiner's report to the trustees of South Durham Gymnastics ('the Charity')

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015. I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charity's trustees as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work or for this report.

Signed: 

Dated: 24 April 2023

Anne Hallowell

BSc DChA FCA

UNW LLP
Chartered Accountants
Newcastle upon Tyne

South Durham Gymnastics

Statement of financial activities For the year ended 30 June 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	19,355	19,355	174,405
Charitable activities	4	489,417	489,417	218,215
Other trading activities	5	17,849	17,849	1,990
Investments		10,204	10,204	5
Total income		536,825	536,825	394,615
Expenditure on:				
Charitable activities		648,665	648,665	410,617
Total expenditure		648,665	648,665	410,617
Net movement in funds		(111,840)	(111,840)	(16,002)
Reconciliation of funds:				
Total funds brought forward		117,795	117,795	133,797
Net movement in funds		(111,840)	(111,840)	(16,002)
Total funds carried forward		5,955	5,955	117,795

The Statement of financial activities includes all gains and losses recognised in the year.


The notes on pages 10 to 18 form part of these financial statements.

South Durham Gymnastics

Balance sheet As at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	64,616	80,399
		64,616	80,399
Current assets			
Debtors	9	1,234	4,579
Cash at bank and in hand		49,613	92,042
		50,847	96,621
Creditors: amounts falling due within one year	10	(72,008)	(10,892)
Net current liabilities / assets		(21,161)	85,729
Total assets less current liabilities		43,455	166,128
Creditors: amounts falling due after more than one year	11	(37,500)	(48,333)
Net assets excluding pension asset		5,955	117,795
Total net assets		5,955	117,795
Charity funds			
Unrestricted funds	12	5,955	117,795
Total funds		5,955	117,795

The financial statements were approved and authorised for issue by the Trustees on 24 April 2023 and signed on their behalf by:



Paul Anderson
(Trustee)

The notes on pages 10 to 18 form part of these financial statements.

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

South Durham Gymnastics constitutes a public benefit entity under FRS 102.

The financial statements are prepared in pounds sterling which is the functional currency of the charity and are rounded to the nearest £1.

1.2 Going concern

Higher than planned expenditure has incurred as a result of challenging the rulings on the suspension of 2 coaches which are not expected to recur in future periods. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Cashflow forecasts are updated on a monthly basis and reviewed by management and trustees.

As a result, after making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

1.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

The estimated useful lives are as follows:

Gym equipment	- 10 years
Office equipment	- 10 years

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

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Notes to the financial statements For the year ended 30 June 2022

1. Accounting policies (continued)

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

In preparing these financial statements the trustees do not consider there were any significant areas of judgment that were required in applying the charity's accounting policies as set out above.

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

3. Donations

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grants			
Grants	19,355	19,355	26,487
CJRS	-	-	146,418
Donations	-	-	1,500
	<u>19,355</u>	<u>19,355</u>	<u>174,405</u>

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Subscriptions and classes	489,417	489,417	218,215

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising	17,849	17,849	1,990

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Direct costs	455,724	192,940	648,664

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Notes to the financial statements For the year ended 30 June 2022

6. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs	343,376	67,241	410,617

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	367,747	367,747	322,510
Depreciation	15,783	15,783	15,783
Classes and competitions	72,194	72,194	5,083
	455,724	455,724	343,376

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Building, rent and rates	67,663	67,663	20,442
Office and administration	19,866	19,866	15,297
Legal and professional	102,771	102,771	28,872
Independent examination fee	2,640	2,640	2,630
	192,940	192,940	67,241

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

7. Staff costs

	2022 £	2021 £
Wages and salaries	325,401	288,444
Social security costs	18,827	16,019
Other pension costs	23,519	18,047
	<u>367,747</u>	<u>322,510</u>

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Employees	<u>28</u>	<u>34</u>

No employee received remuneration amounting to more than £60,000 in either year.

No trustees received any remuneration, benefits or reimbursement of expenses for their services to the charity during the period.

8. Tangible fixed assets

	Gym equipment £	Office equipment £	Total £
Cost			
At 1 July 2021	139,239	18,586	157,825
At 30 June 2022	<u>139,239</u>	<u>18,586</u>	<u>157,825</u>
Depreciation			
At 1 July 2021	68,121	9,305	77,426
Charge for the year	13,924	1,859	15,783
At 30 June 2022	<u>82,045</u>	<u>11,164</u>	<u>93,209</u>
Net book value			
At 30 June 2022	<u>57,194</u>	<u>7,422</u>	<u>64,616</u>
At 30 June 2021	<u>71,118</u>	<u>9,281</u>	<u>80,399</u>

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

9. Debtors

	2022 £	2021 £
Due within one year		
Grants receivable	1,234	4,579
	<u>1,234</u>	<u>4,579</u>

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	-	418
Coronavirus bounce-back loan	10,000	1,667
Other taxation and social security	5,350	6,227
Accruals and deferred income	56,658	2,580
	<u>72,008</u>	<u>10,892</u>

11. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Coronavirus bounce-back loan	<u>37,500</u>	<u>48,333</u>

The Coronavirus bounce-back loan is 80% guaranteed by the UK Government. The loan is over a 6 year term with a payment holiday for the first 12 months. The loan is unsecured and accrues interest at 2.5% per annum. See note 10 for the amount due in less than 1 year.

12. Statement of funds

Statement of funds - current year

	Balance at 1 July 2021 £	Income £	Expenditure £	Balance at 30 June 2022 £
Unrestricted funds				
General Funds	<u>117,795</u>	<u>536,825</u>	<u>(648,665)</u>	<u>5,955</u>

Statement of funds - prior year

	Balance at 1 July 2020 £	Income £	Expenditure £	Balance at 30 June 2021 £
Unrestricted funds				
General Funds	<u>133,797</u>	<u>394,614</u>	<u>(410,616)</u>	<u>117,795</u>

South Durham Gymnastics

Notes to the financial statements For the year ended 30 June 2022

13. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £23,519 (2021 - £18,047). Contributions totaling £nil (2021: £nil) were payable to the fund at the balance sheet date.

14. Operating lease commitments

At 30 June 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	15,000	15,691
Later than 1 year and not later than 5 years	60,000	60,936
Later than 5 years	101,959	116,268
	<u>176,959</u>	<u>192,895</u>

15. Related party transactions

Paul Anderson is a trustee and a director of Anderson & Co. During the year accountancy fees of £3,072 were paid to him by the charity (2021: £3,337).