

Charity registration number 1171390

Company registration number 10213452 (England and Wales)

DUNSTON ACTIVITY CENTRE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

DUNSTON ACTIVITY CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Pauline Brown Mr C R Lowe Mrs Joyce Forster Mr E Nichols
Charity number	1171390
Company number	10213452
Registered office	33 Whickham Highway Dunston Hill Gateshead NE11 9QJ
Independent examiner	Gunnell & Chambers Accountants Limited Office 3, 8 Fellside Road Whickham Newcastle Upon Tyne NE16 4AL

DUNSTON ACTIVITY CENTRE

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DUNSTON ACTIVITY CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2022

The Trustees present their annual report and financial statements for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

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

DUNSTON ACTIVITY CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance

Along with those of many other charities, the Trustees are pleased to report that Dunston Activity Centre weathered the storm of the Covid pandemic, lockdowns, social distancing and the necessary suspension of most face-to-face activities, events and services. We were particularly sad to cancel two free family pantomime performances that would have accommodated 700 local adults and children and also to preside over the cancellation of a range of successful activities like Kickboxing and fitness classes for those with health challenges.

Throughout the lockdowns and the prolonged aftermath in which local folk regained their confidence to meet together again, we maintained a full online daily programme for local residents that allowed them to continue or taste a range of activities within the safety of their own homes. This included keep-fit training, yoga, art and craft activities for parents with young children, and a 'Hear and Now' service that offered caring, empathic listening to anyone suffering from depression, low mood or suicidal tendencies. We are grateful for the dedicated and voluntary help of local trainers, leaders, online technician and counsellor.

As a non-profit-making charity, we are pleased to have emerged from the financial year ended 30th June, 2022 with a modest surplus of £1,854. This surplus arose from the challenges of restoring many face-to-face activities, events and services and supplementing these with new ones.

Our post-pandemic concern and focus led us to invest much more in our attractive and much-loved Centre. Building wise, we were financially challenged by the major storm damage to our roof yet were still able to fund the construction of two new multi-purpose rooms. When we took over the Dunston Centre eight years ago, we were much restricted by having only one multi-purpose room. We are glad to report that, by the end of the current financial year, we had five such facilities.

It is equally satisfying that we still sustain a Gateshead public library that is staffed by volunteers and offers our community access to a range of online services via a suite of computers and helpful volunteers.

The library remained popular, was well used and hosted a book club and song times for children. We also secured funding for ten computers that are housed in a spacious recess within a pleasant Concourse along which footfall is ever increasing. Computers are widely used throughout the day and evening by children, young people and adults.

In an area of highest national unemployment and of high numbers of people neither in education, employment nor training (NEET), it is gratifying for us to have provided extensive training facilities for the railway and construction industries and to certify those looking for work in areas such as first aid and mental health awareness. This has been possible because of a flexible financial approach that allows us, at times, to heavily subsidise training companies in the interests of serving local needs. Incidentally, it also gives us satisfaction to have sustained the employment of seven staff who were formerly without work and to have provided extensive work experience through which the employability of seven 'Kickstarters' was developed.

In times of increasing demands upon our NHS services, we have maintained, free-of-charge, a 40-strong companions' club comprised of residents referred to us by our local medical centres. We continue to provide subsidised cardio-rehab fitness classes for patients referred by local hospitals.

After a time of shared reflection and re-envisioning, we are in the process of enhancing our governance in the interests of better and more fully servicing the needs of our community. We are motivated to streamline our organisation, further develop our building and to maximise the use of our attractive and much-loved Centre. As local residents face the prospect of high fuel bills in a coming cold winter, we are currently engaged in providing pleasant, welcoming, free 'warm spaces'.

As a Board of Trustees, we have continued to learn and develop by facing together the pressures and challenges of Centre governance and management. We are still on the learning curve and remain enthusiastically dedicated to the positive transformation of our community.

Financial review

DUNSTON ACTIVITY CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2022*

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity is a company limited by guarantee.

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

Mrs Pauline Brown

Mr C R Lowe

Mrs Joyce Forster

Mr E Nichols

New trustees may be appointed by a resolution passed at a special meeting of the trustees, or by statutory powers.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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

Mrs Pauline Brown
Trustee

Mrs Joyce Forster
Trustee

19 December 2022

DUNSTON ACTIVITY CENTRE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DUNSTON ACTIVITY CENTRE

I report to the Trustees on my examination of the financial statements of Dunston Activity Centre (the Charity) for the year ended 30 June 2022.

Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of AAT, which is one of the listed bodies.

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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

Gunnell & Chambers Accountants Limited

Office 3, 8 Fellside Road
Whickham
Newcastle Upon Tyne
NE16 4AL

Dated: 19 December 2022

DUNSTON ACTIVITY CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	208,312	181,470
Charitable activities	4	89,223	43,394
Investments	5	94	873
		<hr/>	<hr/>
Total income		297,629	225,737
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	6	295,775	176,344
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		1,854	49,393
		<hr/>	<hr/>
Fund balances at 1 July 2021		49,728	335
		<hr/>	<hr/>
Fund balances at 30 June 2022		51,582	49,728
		<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DUNSTON ACTIVITY CENTRE

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		50,439		35,859
Current assets					
Cash at bank and in hand		113,454		164,410	
Creditors: amounts falling due within one year	10	(112,311)		(150,541)	
Net current assets			1,143		13,869
Total assets less current liabilities			51,582		49,728
Income funds					
Unrestricted funds			51,582		49,728
			51,582		49,728

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 December 2022

Mrs Pauline Brown
Trustee

Mrs Joyce Forster
Trustee

Company registration number 10213452

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Charity information

Dunston Activity Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 33 Whickham Highway, Dunston Hill, Gateshead, NE11 9QJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with FRS102, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Plant and equipment	15% reducing balance
Fixtures and fittings	15% reducing balance
Computers	15% reducing balance

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	1,295	5,360
Grants receivable	137,517	144,971
Membership fees	69,500	31,139
	<u>208,312</u>	<u>181,470</u>

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

4 Charitable activities

	Charitable Income Heading 1 2022 £	Charitable Income Heading 7 2022 £	Total 2022 £	Charitable Income Heading 1 2021 £	Charitable Income Heading 7 2021 £	Total 2021 £
Sales of services by beneficiaries	-	9,670	9,670	-	8,271	8,271
Charitable rental income	77,795	-	77,795	34,952	-	34,952
Other income	1,758	-	1,758	171	-	171
	<u>79,553</u>	<u>9,670</u>	<u>89,223</u>	<u>35,123</u>	<u>8,271</u>	<u>43,394</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>94</u>	<u>873</u>

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

6 Charitable activities

	Charitable Expenditure Heading 1 2022 £	Charitable Expenditure Heading 1 2021 £
Cafe expenses	13,003	3,475
Leisure assistants	124,067	71,694
Rates and water	5,774	4,008
Light and heat	43,245	22,194
Repairs and maintenance	83,557	55,705
Insurance	4,903	3,159
Cleaning	1,758	1,433
Legal and professional	3,114	-
Telephone	1,538	1,428
Stationery and printing	2,291	6,477
Depreciation	8,901	5,093
Advertising	-	169
General expenses	2,055	367
Bank charges	561	182
Other charitable expenditure	1,008	960
	<u>295,775</u>	<u>176,344</u>
	<u>295,775</u>	<u>176,344</u>

7 Trustees

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

8 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
9	8

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

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

9 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 July 2021	37,672	21,186	-	58,858
Additions	-	-	23,481	23,481
At 30 June 2022	37,672	21,186	23,481	82,339
Depreciation and impairment				
At 1 July 2021	19,222	3,777	-	22,999
Depreciation charged in the year	2,768	2,611	3,522	8,901
At 30 June 2022	21,990	6,388	3,522	31,900
Carrying amount				
At 30 June 2022	15,682	14,798	19,959	50,439
At 30 June 2021	18,450	17,409	-	35,859

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	111,303	59,581
Accruals and deferred income	1,008	90,960
	112,311	150,541

11 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).