

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 2023

DUNSTON ACTIVITY CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

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

DUNSTON ACTIVITY CENTRE

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DUNSTON ACTIVITY CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

The Trustees present their annual report and financial statements for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's 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 DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance

As with charitable organisations in general, the financial year ending 30th June, 2023 was a challenging one for us. Our accounts showed a £48,531 loss though our bank accounts showed a modest surplus of £3,051.

In the wake of huge and unprecedented increases in the price of gas and electricity over which we had little influence, the cost of light and heat increased by £16,000. Yet the main cause of the remaining £32,531 arose from a planned Trustees' decision to invest substantial funds in the Centre so as to better serve our community and generate significant, extra income in the coming year. After consultation with particular clients and members of the community in general, this investment was focused on improving the services in the following ways ...

1) Enlargement and Development of our Community Gym

Removal & re-positioning of existing walls and electrical panels	£9,000
Re-carpeting of floors	£4,000
Purchase of latest fitness machines, weights & mats	£16,000
Posters and promotion	<u>£525</u>
Total Cost:	£29,525

2) A new Community Café, providing wholesome and reasonably priced hot meals to alleviate the negative effects of the fuel crisis on household budgets

Major enlargement, re-furbishment and decoration of designated room	£5,500
Kitchen equipment – commercial dishwasher, fridge-freezer and display units	£2,600
Signage and promotion	<u>£450</u>
Total Cost:	£8,550

Total Cost of Centre Investment: £38,075

To sum up, our investment in the Centre accounted for 78% of our eventual loss so we look forward to a much enhanced income in the coming 2023/2024 financial year. The signs of this are encouraging: For example, our community cafe takings have already increased by £25,166 and our Gym income has increased by £15,000.

To reduce our fuel costs, the Trustees have held a series of face-to-face discussions with our suppliers and officials of Gateshead MBC who negotiate our fuel contract on an area basis. This has resulted in our securing the best possible energy prices.

The Trustees also streamlined our financial systems to allow regular and immediate scrutiny of our income and expenditure. The implementation of the SAGE system allows us to create and track invoices, track cash flow, accept payments, record transactions, customise administration, 'capture' expenses and run advanced reports that provide a secure basis for financial planning over the next three years.

In addition to the above measures and initiatives, we have invested in a children's party concept new to the North East and will soon embark upon a campaign to freshly promote all the resources of the Centre. Aided by our improved financial system, we look realistically to a profitable 2023-2024 year as we enhance the scope and quality of our community activities, events and services.

Financial review

DUNSTON ACTIVITY CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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

M J Carlin

Mr Nathan Brown

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

12 December 2023

Mrs Joyce Forster

Trustee

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 2023.

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

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

8 Fellside Road
Whickham
Newcastle Upon Tyne
NE16 4AL

Dated: 12 December 2023

DUNSTON ACTIVITY CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	93,864	208,312
Charitable activities	4	138,770	89,223
Investments	5	812	94
Total income		233,446	297,629
<u>Expenditure on:</u>			
Charitable activities	6	281,977	295,775
Net (expenditure)/income for the year/ Net movement in funds		(48,531)	1,854
Fund balances at 1 July 2022		51,582	49,728
Fund balances at 30 June 2023		3,051	51,582

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		63,647		50,439
Current assets					
Debtors	11	17,024		-	
Cash at bank and in hand		18,577		113,454	
		<u>35,601</u>		<u>113,454</u>	
Creditors: amounts falling due within one year	12	<u>(96,197)</u>		<u>(112,311)</u>	
Net current (liabilities)/assets			(60,596)		1,143
Total assets less current liabilities			<u>3,051</u>		<u>51,582</u>
Income funds					
Unrestricted funds			3,051		51,582
			<u>3,051</u>		<u>51,582</u>

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 2023.

The director acknowledges her 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 12 December 2023

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 2023

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 2023

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.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

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.

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.

1.10 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.

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	4,464	1,295
Grants receivable	4,000	137,517
Membership fees	85,400	69,500
	<u>93,864</u>	<u>208,312</u>

4 Charitable activities

	Charitable Income Heading 1 2023 £	Charitable Income Heading 7 2023 £	Total 2023 £	Charitable Income Heading 1 2022 £	Charitable Income Heading 7 2022 £	Total 2022 £
Sales of services by beneficiaries	-	34,836	34,836	-	9,670	9,670
Charitable rental income	101,192	-	101,192	77,795	-	77,795
Other income	2,742	-	2,742	1,758	-	1,758
	<u>103,934</u>	<u>34,836</u>	<u>138,770</u>	<u>79,553</u>	<u>9,670</u>	<u>89,223</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	<u>812</u>	<u>94</u>

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

6 Charitable activities

	Charitable Expenditure Heading 1 2023 £	Charitable Expenditure Heading 1 2022 £
Cafe expenses	25,514	13,003
Leisure assistants	124,632	124,067
Rates and water	5,985	5,774
Light and heat	59,147	43,245
Repairs and maintenance	39,742	83,557
Insurance	9,401	4,903
Cleaning	1,211	1,758
Legal and professional	-	3,114
Telephone	1,376	1,538
Stationery and printing	2,648	2,291
Depreciation	6,782	8,901
General expenses	1,154	2,055
Bank charges	1,760	561
Other charitable expenditure	2,625	1,008
	<u>281,977</u>	<u>295,775</u>
	<u>281,977</u>	<u>295,775</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:

2023 Number	2022 Number
<u>9</u>	<u>9</u>

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

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

DUNSTON ACTIVITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 July 2022	37,672	21,186	23,481	82,339
Additions	-	19,989	-	19,989
At 30 June 2023	37,672	41,175	23,481	102,328
Depreciation and impairment				
At 1 July 2022	21,989	6,388	3,522	31,899
Depreciation charged in the year	1,568	2,220	2,994	6,782
At 30 June 2023	23,557	8,608	6,516	38,681
Carrying amount				
At 30 June 2023	14,115	32,567	16,965	63,647
At 30 June 2022	15,682	14,798	19,959	50,439

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	17,024	-

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	95,189	111,303
Accruals and deferred income	1,008	1,008
	96,197	112,311

13 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).