

Charity registration number 1208615

Company registration number 14744218 (England and Wales)

GATESHEAD ACTIVE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

GATESHEAD ACTIVE LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C Wisby Mr J Klajn Mr A E Hooker Mr I M Gray Ms L Wales Mr J I Mearns Mr K Berry Ms J R McCracken Mr M Armstrong Ms D M Robson Mr W Backhouse	
Senior management	R Waugh T Kennedy	CEO - April 24 - September 24 Centre Manager - From April 24
Charity number	1208615	
Company number	14744218	
Registered office	Gateshead Leisure Centre Alexandra Road Gateshead NE8 4HU	
Auditor	TC Group 3 Acorn Business Centre Northarbour Road Cosham Portsmouth P06 3TH	

GATESHEAD ACTIVE LTD

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GATESHEAD ACTIVE LTD

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities governing document, 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

Gateshead Leisure Centre is a community-run charity established to secure a vital local facility in the Saltwell area of Gateshead after it was closed by the Council due to funding cuts. The charity exists to advance health and wellbeing, promote community participation in healthy recreation, and provide accessible facilities for public benefit. Its establishment was made possible through extensive support from local residents, volunteers, and stakeholders who contributed time, expertise, and resources to secure the asset and ensure it could be run sustainably. Local people contributed time, skills, and fundraising support, demonstrating a strong desire to preserve an essential community space. This sense of ownership continues to drive how the centre is run and shapes the inclusive and welcoming environment we aim to maintain.

Our long-term aim is simple: to keep the centre open, thriving, and serving the people who need it most. Leisure centres are costly to run, and with many around the country closing, our focus as a new charity is to build a financially sustainable model while keeping everything affordable and accessible for the diverse local community of Saltwell and surrounding areas, such as Bensham, Deckham and Felling.

Our main objectives are:

- To make the centre as inclusive and accessible as possible, so that everyone can take part regardless of background, ability, or circumstance.
- To help connect different groups and communities through sport and shared spaces, giving people a reason to come together and build social connections.
- To support better health and wellbeing by providing affordable opportunities to be active and encouraging participation across all ages.
- To build partnerships with local schools, charities, and health providers to create new opportunities and extend our reach.
- To maintain the centre as a friendly, welcoming and safe space where people can meet, socialise, and build a sense of community.

Every objective is designed to create not just opportunities for physical activity, but also to foster social connection, reduce isolation, and give the local community a space to meet, belong, and feel proud of. These objectives provide the framework against which the trustees assess performance, and the achievements set out in Section 4 are reported in reference to these aims.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025**

To achieve these objectives, the centre operates a wide range of facilities and programmes including swimming, gym, fitness classes, squash, badminton, table tennis, volleyball, 5-a-side football, soft play, Clip 'n' Climb, and sauna and steam rooms. Facilities are also hired for other sports and recreational activities such as wheelchair rugby and korfbal. Programmes are designed to meet specific community needs, including single-sex swimming sessions for the Orthodox Jewish community, GP referral sessions for those living with health conditions and junior gym sessions for over 300 young people. In the financial year, the centre delivered weekly school swimming lessons for more than 15 local primary schools, supporting them to meet their statutory obligation to provide swimming as part of the national curriculum. These sessions, delivered in line with the national curriculum and Swim England standards, mean that over 300 Key Stage 2 children each week have access to regular swimming lessons. The centre's café offers a place for people to meet, and complements the Chatty Café initiative, where people can access advice from a range of agencies, such as Citizens Advice, for example, in a welcoming setting. From friends meeting for a swim to families exercising together, the centre has quickly become a hub where people of all ages form friendships, gain confidence, and improve wellbeing.

Beyond sport, the charity collaborates with local small businesses who lease space within the centre, including a swim school, baby sensory group, and massage therapist. These partnerships bring variety and life to the building, support local enterprise, and generate income to sustain charitable aims.

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit and are satisfied that the charity's aims, objectives, and activities meet these requirements. The services provided by Gateshead Leisure Centre are designed to improve physical and mental wellbeing, increase social inclusion, and provide accessible opportunities for all members of the local community. The charity's programmes, facilities, and partnerships deliver clear public benefit by supporting individuals, families, and local groups who might otherwise have limited access to affordable sport and recreation facilities.

Achievements and performance*Significant activities and achievements against objectives*

Since reopening, the charity has made significant progress in delivering its objectives. At the year end, Gateshead Leisure Centre now supports over 2,700 local members, in addition to over 1,800 different pay-as-you-go users on a monthly basis, providing affordable access to facilities that would otherwise be out of reach. Participation across core activities increased month-on-month, with particularly strong growth in junior gym sessions and swim lesson attendance. This has restored an essential space for physical activity, particularly benefiting residents without transport or from areas of higher deprivation. The centre is now a focal point for the community, where everyday interactions create new friendships, reduce loneliness, and foster a sense of belonging.

The impact of our programmes extends beyond physical fitness. GP referral sessions and targeted fitness programmes have supported improvements in both physical and mental wellbeing. Junior gym sessions provide a safe, supervised space for teenagers to train, build confidence, and form positive friendships. School swimming programmes ensure children develop essential skills and water safety awareness. Single-sex sessions have increased access for communities with specific cultural requirements as well as being welcomed by many women.

The charity has also strengthened community engagement through partnerships with local small businesses, generating income to support charitable aims and increasing the variety of services available to members. Volunteers and trustees have contributed considerable time and expertise, providing support far beyond typical expectations for a charity of this size and playing a crucial role in keeping the centre open and running smoothly.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025**

While these achievements are significant, the year has not been without challenges. Staffing difficulties, operational demands of running a large facility, and establishing key financial, safeguarding, and health and safety policies from scratch required substantial effort. Despite these challenges, the collective effort of staff and trustees has ensured the centre re-establishes itself as a vital community hub, delivering both health benefits and a sense of belonging for thousands of residents.

Fundraising practices

As this is our first year of operation, the charity's fundraising activity has been limited, with most income successfully secured through self-generated income, in addition support in the form of grants from the Key Fund and Sport England. The charity is not a member of the Fundraising Regulator due to the small scale of public fundraising undertaken.

We have not received any complaints about fundraising activity during the year. The trustees remain mindful to ensure that any fundraising carried out does not intrude on privacy, is not unreasonably persistent, and does not place undue pressure on any individual, particularly vulnerable people.

The charity does not employ external fundraising agencies and does not undertake street fundraising or telephone cold-calling. The trustees confirm that all fundraising activities were carried out in accordance with the Code of Fundraising Practice.

Financial review

The 2024/25 financial year was a challenging but formative period for Gateshead Active Ltd, marking our first year of operating Gateshead Leisure Centre following the community asset transfer from Gateshead Council on 31 May 2024. The charity has been responsible for all costs in this financial year with significant costs incurred prior to the centre reopening to the public on 14 June 2024. As a result, income was generated over 10.5 months, while expenditure reflects a full 12 months, including pre-opening (i.e. income generating) staffing and set-up costs. This means the year does not represent a normal operating year for the charity. Despite this, performance shows clear community demand and provides a strong foundation to build on.

For the purpose of this financial review, the income arising from bringing the leisure centre onto the balance sheet has been excluded from the analysis of underlying operational performance. This is a one-off accounting adjustment in the current financial year and relates solely to the SORP requirement to recognise the value of the centre as a tangible fixed asset, reflecting the long leasehold interest held by the charity under its agreement with Gateshead Council. A valuation was undertaken by Sanderson Weatherall, a RICS-approved valuer, using the fair value basis and the depreciated replacement cost approach. The property, which is held within the endowment funds, has been recognised at £3.68m as at the date of the asset transfer (31 May 2024), being the commencement date of the lease and partnership agreement with Gateshead Council under the community asset transfer arrangements. In line with SORP and FRS 102 requirements, the asset will be depreciated over the remaining term of the leasehold (50 years). No impairment indicators were identified at the year end, and the trustees consider the valuation to be appropriate and supportable.

Total income for the year (excluding building treatment) was approximately £1.54m, with total expenditure of around £1.86m, resulting in a deficit of £320,000. This was expected during the first years of operation, reflecting the significant one-off costs of reopening a closed facility and establishing a new charitable organisation. Income was stronger than anticipated due to strong community uptake, while expenditure was higher than forecast due many unforeseen costs associated with reopening a leisure centre of its size.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025***Going concern*

The trustees have undertaken a detailed review of the charity's financial position, cash flow forecasts, income projections and overall risk exposure for a period of at least 12 months from the date the financial statements are approved.

The charity operates in an environment of significant uncertainty arising from the operational and financial risks discussed earlier in this report. These uncertainties relate primarily to the volatility of utility pricing, the ongoing costs of essential building maintenance, and cash constraints during the early operational period. While the trustees have initiated measures to diversify income, strengthen internal controls, and improve operational efficiency, the outcome of these measures remains uncertain. As a result, material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern.

Despite these uncertainties, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis, as they consider that the mitigating actions planned and underway provide a reasonable foundation for this judgement. The trustees therefore conclude that the going concern basis remains appropriate.

Reserves policy

Given the scale, operational demands, and financial risks associated with running a large leisure centre, the trustees consider it appropriate to hold free reserves equivalent to three months of operating expenditure. This level provides a reasonable buffer to manage fluctuations in income, unexpected maintenance or plant failures, and short-term cash flow pressures. Based on the 2025/26 budget, this equates to £400,000.

At the year end, the charity had a deficit on free reserves of £238,854. The trustees recognise that this is materially below the target level, which is expected at this early stage of the charity's life. The original business plan anticipated that it would take several years to build reserves to the desired level, and the trustees have developed a practical plan to increase reserves steadily and sustainably over the next five years. This includes improving operating surpluses, strengthening financial controls, growing earned income, and ensuring that one-off gains are allocated to reserves wherever appropriate.

The reserves policy is reviewed at least annually, or sooner if the charity's risk profile or financial circumstances change significantly, to ensure that the target level remains appropriate and achievable.

*Principal funding sources***Income**

Income was driven by strong public engagement and a broad mix of revenue streams:

- **Memberships - £580k:** Strong uptake from day one for our gym and swim members
- **Facility hire - £212k:** Sports hall, studios, community rooms and sub-leased spaces provided important diversification.
- **Pay-as-you-go activities - £251k:** Popular one-off activities include gym, swim, soft play, Clip'n'Climb and other sessions.
- **Sport England grant - £105k:** Fully spent by year-end to support the operating of three swimming pools the centre runs.
- **Donations - £25k:** A significant individual gift reflecting the community's generous support.
- **Party bookings - £30k:** Continued to grow during the year as the community became aware of the offering.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025**

Overall, the income performance over 10.5 months demonstrates a strong start for a newly reopened centre and gives the trustees confidence in the long-term viability of community-led leisure in Gateshead. Income outperformed expectations which was encouraging particularly as a result of strong uptake of membership and facility hire bookings growing faster than anticipated.

Expenditure

Expenditure reflects the reality of reopening a large, older leisure facility and establishing compliant operations:

- Staff costs - £608k: Reflecting a full seven-day-a-week programme and essential pre-opening recruitment and training.
- Utilities - £217k: High energy usage is inherent to leisure centres, particularly for swimming pools. A higher than budgeted cost which is key to reduce via energy efficiency measures moving forward.
- Set-up costs: Including installing a leisure management system, purchasing IT infrastructure and equipment, and advertising the community launch.
- Repairs and maintenance: Higher than anticipated due to the age of the building. In-house skills are used wherever possible, with specialist work competitively tendered.

These cost patterns are expected to stabilise as one-off set-up costs fall away and operational efficiencies mature. Expenditure exceeded forecasts due to some unforeseen costs in the charity's set-up and key cost areas where work is being done to reduce cost and improve efficiencies moving forward.

Cash remains constrained for the charity, reflecting early-stage deficits associated with setting up the charity and a large leisure facility. The trustees have implemented regular cash-flow monitoring as part of board meetings, payment plans have been set up with larger creditors and all operations and agreements are being scrutinised for financial viability. Improving liquidity is a key strategic priority for the following financial year.

At the year end, no capital expenditure was formally contracted, although the trustees recognise the need for future investment as described. The charity has plans for capital investment in the short and long term which have been identified as follows. In the short term the air conditioning system inherited from the asset transfer was faulty, this is an issue in the gym which we are actively seeking grant funding to resolve to improve working out conditions for our members. Look further ahead in the future a roof replacement is likely to be required in coming years. Post year end temporary repairs are being supported through in-kind labour, reducing immediate costs.

These are some of the commitments the trustees are aware will influence the centre long term and will be factored into financial planning in future years.

The first year of operation has been financially demanding, reflecting the unique challenges of reopening a large community facility after closure. However, the strong income performance, diversified revenue mix and growing community support demonstrate the centre's potential and the commitment of the local population to its long-term success. The trustees remain confident that, with continued community backing, refinement of operational efficiencies and the pursuit of new funding opportunities, the charity is positioned to build financial resilience and increase its reserves position over the coming years.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025***Major risks*

The trustees review the major risks facing the charity on an ongoing basis, in accordance with Charity Commission guidance and SORP requirements. The key risks fall into three main areas:

Financial Sustainability:

- **Reliance on membership and casual income:** A decline in memberships or visitor numbers, whether due to competition, cost-of-living pressures or reduced service quality, could significantly impact the charity's ability to meet operating costs.
- **High repair and maintenance liability:** The ageing site (1940s pool and 1980s dry-side areas) presents an ongoing risk of unplanned expenditure, particularly in relation to essential plant and building systems.
- **Major asset failure:** Failure of critical infrastructure, e.g., pool plant, boilers, electrical systems, could force partial or full closure and cause material income loss.
- **Utility cost volatility:** Energy costs remain a substantial proportion of total expenditure, with the risk that the energy saving measures are ineffective in reducing consumption and wider macroeconomic factors causing rates to increase.
- **Limited reserves:** As a recently established charity, the current level of free reserves does not yet provide a robust buffer to absorb unexpected shocks or closures.

To manage these risks, the trustees receive detailed monthly financial reports and maintain close oversight of cashflow, expenditure trends and income performance. Preventative maintenance programmes have been strengthened, specialist works are competitively tendered, and operational efficiencies are being actively pursued. The charity has also begun implementing a reserves-building plan and continues to diversify income through grants, donations and expanded activity programmes.

Health & Safety and Fire Safety

- **Health and safety incidents** involving staff, members or contractors may lead to injury, legal liability, insurance claims or reputational harm.
- **Fire safety compliance** is critical due to the size and age of the building, which contains multiple plant rooms and high-risk areas.
- **Operational safety risks** in swimming pools, Clip 'n' Climb, soft play and sports hall activities require robust supervision, training and adherence to sector standards.
- **Contractor and supplier safety risks**, given the significant level of repair and maintenance work required across the year.

The charity manages these risks through robust policies, routine inspections, clear incident reporting processes and mandatory staff training covering lifeguarding, first aid, equipment operation and fire evacuation. Fire systems and emergency equipment are regularly serviced, external specialists carry out periodic audits, and all high-risk activities are delivered in line with sector standards and manufacturer guidance.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025***Safeguarding*

- **Safeguarding concerns** involving children, young people or vulnerable adults participating in activities across the centre.
- **Inadequate staff/volunteer vetting** increasing the risk of unsuitable individuals accessing regulated roles.
- **Reputational risks** arising from incidents on site or via social media that may undermine public confidence in the community-led model.

These risks are addressed through strong safeguarding policies, designated safeguarding leads, enhanced DBS checks for all staff, and mandatory safeguarding training for relevant staff and volunteers. Clear escalation procedures and links with local safeguarding partners ensure concerns are managed promptly and appropriately. All safeguarding concerns are documented, reviewed and reported to trustees through routine safeguarding updates. The charity also recognises the importance of maintaining public trust and monitors reputational risks across its communications and community engagement.

Factors likely to affect future financial performance

At the year end, the charity held total funds of £3,379,813, comprising of:

- Unrestricted funds: £(238,854)
- Endowment fund: £3,618,667 this is representing the value of the long-term leasehold asset recognised on the basis that the charity has control over the asset and the economic benefits arising from it.
- There were no restricted funds at year end as they were all spent in line with funder requirements.

Cash remains constrained for the charity, reflecting early-stage deficits associated with setting up the charity and a large leisure facility. The trustees have implemented regular cash-flow monitoring as part of board meetings, payment plans have been set up with larger creditors and all operations and agreements are being scrutinised for financial viability. Improving liquidity is a key strategic priority for the following financial year.

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GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025**

Plans for future periods

Our core aim remains to keep the centre open and accessible every day for the local community. Looking ahead, the trustees have identified three priority areas of compliance that require continued improvement. These priorities directly support the charity's objectives to promote health, wellbeing and community participation:

- Financial management and reporting
- Health and safety and fire safety
- Safeguarding

Responsibility for progressing these areas sits with the senior leadership team, who report on developments to the Board at each meeting.

Alongside strengthening our core leisure offer, we will continue to grow charitable programmes such as GP Referral, single-sex swimming sessions and our free community classes. Any expansion will be approached cautiously to ensure we maintain high standards in our core activities, these remain central to the charity's purpose, and to ensure new initiatives align with our long-term aim of supporting those in the community who need us most.

Financially, the charity will continue to diversify its income, with a focus on securing grant funding to support the charitable programmes delivered each day. We will also be reviewing all existing agreements to ensure they remain financially viable and assessing each area of the centre as a business unit to identify high-cost activities and make strategic decisions that strengthen long-term sustainability. A key area of focus is utilities, which are significantly above initial forecasts; the team will be exploring energy-saving measures and reviewing current supply arrangements to ensure they remain fit for purpose.

We will also continue to work closely with experts in health and safety and safeguarding, alongside the experience within the trustee board. Their guidance informs our policies, staff training and operational procedures, helping us respond effectively to incidents when they arise and, importantly, prevent them wherever possible by ensuring the right systems and

Structure, governance and management

Gateshead Active Ltd is a charitable company limited by guarantee, governed by its Articles of Association. As a relatively new organisation formed through the community asset transfer of Gateshead Leisure Centre, the trustees were heavily involved throughout the setup period, offering expertise in community engagement, finance, legal, operations, and the leisure sector. No new trustees were appointed during the year, but a SORP-compliant recruitment and induction process is in place for when new appointments are made.

Day-to-day operations during the year were managed by a small senior leadership team comprising a CEO, Centre Manager and two Assistant Managers, who oversaw the centre's operational departments: cleaning, reception, lifeguards, swim teachers and gym staff. The CEO left unexpectedly partway through the year, which required other staff members to assume additional responsibilities. The Board is grateful for their hard work and commitment during this challenging period. The Board is reviewing the leadership structure to ensure it is appropriate for the organisation's needs, with changes taking effect in the next financial year. Throughout the year, the Board retained overall responsibility for strategy, financial oversight and key decision-making. Additional Board committees were formalised shortly after the year end as part of strengthening the charity's governance arrangements.

GATESHEAD ACTIVE LTD**TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025**

The charity maintains a risk register which is reviewed monthly. The development of internal controls is directly informed by the charity's risk register, ensuring that governance improvements follow specific identified risks. Emerging risks are escalated promptly to the trustees, with each trustee taking lead responsibility for areas aligned to their skills. As a rapidly formed organisation, not all internal policies and controls were fully in place at transfer, but good progress has been made over the year to develop and improve key areas such as finance, safeguarding, HR, health and safety and data protection, with this work continuing into the next period.

The charity also oversees a separate company, Entertainment for Gateshead C.I.C. Although senior management acted as its directors during the year, the company remained under the strategic and financial control of the charity's board. In practice, the activities of the C.I.C. could have been delivered within the charity itself, but it was maintained as a separate entity to support specific trading operations. For transparency, the income and expenditure of the C.I.C. are included within these accounts to reflect the nature of its relationship with the charity. The C.I.C. relates to the café provision at the centre. Following a post yearend review, it was agreed that the café operation would be outsourced to an external provider with effect from 1 November 2025. As a result, the C.I.C. will be dissolved during the 2025/26 financial year.

The trustees have volunteered a significant amount of time throughout the year, far more than would normally be expected, providing hands-on support across operations, finance, and compliance. Their contribution has been essential in getting the centre open and keeping it running during its early stages. Related party transactions are disclosed separately in the accounts, and trustee attendance at meetings remained strong throughout the period.

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:

Mr C Wisby

Mr J Klajn

Mr A E Hooker

Mr I M Gray

Ms L Wales

Mr J I Mearns

Mr K Berry

Ms J R McCracken

Mr M Armstrong

Ms D M Robson

Mr W Backhouse

Mr R L Waugh

(Resigned 12 November 2024)

Mr S Kakkar

(Resigned 7 September 2024)

Recruitment and appointment of trustees

Trustees are recruited on the basis of their skills, experience, and commitment to the charity's objectives. Although there is no formal written recruitment policy, the process is overseen by the existing trustees to ensure that new appointments are appropriate and contribute to the effective governance of the charity.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

GATESHEAD ACTIVE LTD

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Induction and training of trustees

New trustees receive an informal induction tailored to their role, which includes an introduction to the charity's objectives, governance structure, and financial reporting requirements. Although there is no formal written induction policy, trustees are provided with relevant information and guidance to enable them to understand their responsibilities and contribute effectively to the charity.

Statement of Trustees report responsibilities

The trustees are responsible for preparing the Trustees' Annual 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/Northern Ireland 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 the incoming resources and application of resources of the Charity 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 in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Companies Provision

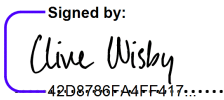
This Report has been prepared in accordance with the special provisions for small companies under part 15 of the companies act 2006.

GATESHEAD ACTIVE LTD

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The report was approved by the board of trustees and signed on its behalf by:

Signed by:

42D8786FA4FF417:.....

Mr C Wisby
Chair of Trustees

30-03-26
Date:

GATESHEAD ACTIVE LTD**INDEPENDENT AUDITOR'S REPORT****TO THE TRUSTEES OF GATESHEAD ACTIVE LTD****Opinion**

We have audited the financial statements of Gateshead Active Ltd (the 'Charitable Company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Charitable Company 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees report use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

GATESHEAD ACTIVE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF GATESHEAD ACTIVE LTD

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

GATESHEAD ACTIVE LTD**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE TRUSTEES OF GATESHEAD ACTIVE LTD**

Responsibilities of Trustees

As explained more fully in the statement of Trustees report responsibilities, the Trustees, who are also the directors of the Charitable Company for the purpose of company law, 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 the Trustees 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 Charitable Company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, Companies Act 2006 and the Charities Act 2011) and the relevant charity regulations in the UK;
- We considered the nature of the industry, the control environment and the charity's performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

GATESHEAD ACTIVE LTD**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE TRUSTEES OF GATESHEAD ACTIVE LTD**

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

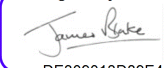
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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

Signed by:



DE309013D89E409...

James Blake (Senior Statutory Auditor)**for and on behalf of TC Group**

Statutory Auditor

30/03/2026

.....

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

TC Group is eligible for appointment as auditor of the Charitable Company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GATESHEAD ACTIVE LTD**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2025**

		Unrestricted	Leisure Centre Building	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	funds		funds	funds	
		2025	2025	2025	2025	2024	2024	2024
Notes		£	£	£	£	£	£	£
Income and endowments from:								
Donations and legacies	3	132,909	3,680,000	126,740	3,939,649	-	34,600	34,600
Charitable activities	4	1,101,851	-	-	1,101,851	-	-	-
Other trading activities	5	180,013	-	-	180,013	-	-	-
Investments		805	-	-	805	-	-	-
Other income		-	-	-	-	4,690	-	4,690
Total income		1,415,578	3,680,000	126,740	5,222,318	4,690	34,600	39,290

GATESHEAD ACTIVE LTD**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2025**

		Unrestricted	Leisure Centre Building	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	funds		funds	funds	
		2025	2025	2025	2025	2024	2024	2024
	Notes	£	£	£	£	£	£	£
Expenditure on:								
Raising funds	6	137,358	-	-	137,358	4,600	-	4,600
Charitable activities	7	1,495,228	61,333	161,340	1,717,901	13,323	-	13,323
Other expenditure	11	7,386	-	-	7,386	1,227	-	1,227
Total expenditure		1,639,972	61,333	161,340	1,862,645	19,150	-	19,150
Net income/(expenditure) and movement in funds		(224,394)	3,618,667	(34,600)	3,359,673	(14,460)	34,600	20,140
Reconciliation of funds:								
Fund balances at 1 April 2024		(14,460)	-	34,600	20,140	-	-	-
Fund balances at 31 March 2025		(238,854)	3,618,667	-	3,379,813	(14,460)	34,600	20,140

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 20 to 39 form part of these financial statements.

GATESHEAD ACTIVE LTD**BALANCE SHEET****AS AT 31 MARCH 2025**

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,783,986		34,866
Current assets					
Debtors	14	247,806		53,933	
Cash at bank and in hand		162,927		60,733	
		410,733		114,666	
Creditors: amounts falling due within one year	17				
		(452,326)		(29,392)	
Net current (liabilities)/assets			(41,593)		85,274
Total assets less current liabilities			3,742,393		120,140
Creditors: amounts falling due after more than one year	18		(362,580)		(100,000)
Net assets			3,379,813		20,140
The funds of the Charitable Company					
Endowment funds - Leisure Centre Building	22	3,618,667		-	
Restricted income funds	21	-		34,600	
Unrestricted funds		(238,854)		(14,460)	
			3,379,813		20,140

The notes on pages 20 to 39 form part of these financial statements.

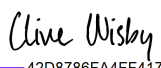
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

30-03-26

The financial statements were approved by the Trustees on

Signed by:


42D8786FA4FF417,.....

Mr C Wisby

Chair of Trustees

Company registration number 14744218 (England and Wales)

GATESHEAD ACTIVE LTD**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2025**

		2025		2024	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		58,862		(4,401)
Investing activities					
Purchase of tangible fixed assets		(70,002)		(34,866)	
Investment income received		805		-	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(69,197)		(34,866)
Financing activities					
Proceeds from borrowings		112,529		100,000	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			112,529		100,000
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			102,194		60,733
Cash and cash equivalents at beginning of year			60,733		-
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>162,927</u>		<u>60,733</u>

The notes on pages 20 to 39 form part of these financial statements.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting policies

This is the first year in which the charity has prepared its financial statements in accordance with the Charities SORP (FRS 102), following the charity's registration with the Charity Commission during the year. In the prior period, the entity prepared its financial statements as a micro-entity in accordance with the provisions of the Companies Act 2006 and FRS 105.

The transition to reporting under the Charities SORP (FRS 102) represents a change in the applicable financial reporting framework. The new framework has been applied from the beginning of the current reporting period. No restatement of comparative figures has been required as a result of the transition to the Charities SORP (FRS 102), as its adoption did not have a material impact on the previously reported financial position or results for the prior period. Any restatements disclosed in these financial statements relate to other matters and are not connected with the transition to the Charities SORP (FRS 102).

Charity information

Gateshead Active Ltd is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Gateshead Leisure Centre, Alexandra Road, Gateshead, NE8 4HU.

1.1 Accounting convention

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102) and the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, for assets measured at fair value where required or permitted by FRS102.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****1 Accounting policies****(Continued)****1.2 Going concern**

The trustees have assessed the charity's ability to continue as a going concern, taking into account its current financial position, cash flow forecasts, income projections, and overall risk exposure for at least twelve months from the date of approval of these financial statements. This assessment has included consideration of operational and financial risks, particularly the volatility of utility costs, ongoing essential building maintenance, and cash constraints during the early stages of operations.

At the year end, the charity reported a deficit on unrestricted funds of £238,854. This highlights the financial pressures arising from the early stage of the charity's development and the costs associated with taking on a large, previously council-run facility.

The trustees have implemented, and are continuing to implement, mitigating measures to address these uncertainties. These measures include diversifying income streams, strengthening internal controls, improving operational efficiency, reviewing and strengthening commercial agreements, and actively pursuing grant funding to support core operations and essential capital investment. While these measures reduce the risks, material uncertainties remain that may cast significant doubt on the charity's ability to continue as a going concern.

Having considered these factors, the trustees believe that the mitigating actions provide a reasonable basis for the charity to continue in operational existence. Accordingly, the financial statements have been prepared on a going concern basis.

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 or grantors as to how they may be used.

Endowment funds represent funds that must be retained as capital by the charity.

The charity holds a permanent endowment in the form of the leisure centre building provided by the local authority. The building is required to be retained and used in furtherance of the charity's objects and is therefore not available for expenditure. The asset is included within tangible fixed assets and depreciated in accordance with the charity's accounting policy for tangible fixed assets.

1.4 Income

Income is recognised when the Charitable Company 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.

Donations and grants are recognised once the charity is entitled to the donation, the amounts can be measured reliably, and it is probable that the charity will receive the income. Where donations are subject to performance obligations or conditions, income is deferred until those conditions are met.

Legacies are recognised on receipt or otherwise if the Charitable Company 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.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****1 Accounting policies****(Continued)**

Income from contracts for services, membership fees, and the hire of facilities, is recognised as the services are provided. Income received in advance of service delivery is deferred and recognised in the Statement of Financial Activities in the period in which the services are delivered.

Income from trading activities, including the operation of the charity's café, is recognised when the goods are supplied, the amounts can be measured reliably, and it is probable that the charity will receive the income. Income is stated net of discounts, returns, and value added tax where applicable.

1.5 Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to transfer economic benefits, the transfer is probable, and the amount can be measured reliably.

All expenditure relates to the charity's single activity, "provision of leisure facilities". Direct costs are charged to the activity as incurred. Support costs, including central staff costs, office overheads, and depreciation, are allocated to the activity on a basis consistent with the use of resources.

Governance costs, including the statutory audit, are included within the costs of providing the activity.

Expenditure incurred in generating income from trading activities, including the operation of the charity's café, is recognised on an accruals basis. These costs include but are not limited to, running the café, such as purchases of goods for resale and staff costs.

1.6 Tangible fixed assets

Assets are held at costs. Assets purchased during the year with a value of £1,000 or more are reviewed for capitalisation.

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:

Leasehold land and buildings	SL over the life of the Lease - 50 years
Leasehold improvements	SL over the life of the lease - 50 years
Plant and equipment	20% SL
Computers	20% SL
Equipment held under finance lease	Over the term of the lease

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 trustees of 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).

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****1 Accounting policies****(Continued)****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 Charitable Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans with related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortized cost using the effective interest method.

Debt instruments that are contractually repayable or receivable within one year, typically trade receivables and trade payables, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortized cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognized in the Statement of Financial Activities.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

1.10 Taxation

The charity is exempt from income tax by virtue of Section 505(1) Income and Corporation Taxes Act 1988 and from capital gains tax by virtue of Section 145 Capital Gains Tax Act 1979

1.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward for future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.12 Pension costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GATESHEAD ACTIVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognized as assets at the lower of the asset's fair value at the inception of the lease and the present value of the minimum lease payments. The corresponding liability to the lessor is recognized as a finance lease obligation in the balance sheet.

The asset is subsequently depreciated over the shorter of the lease term and its useful economic life, unless ownership of the asset is expected to transfer to the lessee, in which case the asset is depreciated over its useful economic life.

2 Critical accounting estimates and judgements

In the application of the charities accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets that are not readily apparent from other sources. The main assumptions and estimations were as follows:

- Determining whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Valuation of leasehold land and buildings (see note 13).

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.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****3 Income from donations and legacies**

	Unrestricted funds	Endowment funds Leisure Centre Building	Restricted funds	Total	Unrestricted funds	Endowment funds Leisure Centre Building	Restricted funds	Total
	2025 £	2025 £	2025 £	2025 £	2024 £	2024 £	2024 £	2024 £
Donations and gifts	25,000	-	-	25,000	-	-	-	-
Grants	107,909	3,680,000	126,740	3,914,649	-	-	34,600	34,600
	<u>132,909</u>	<u>3,680,000</u>	<u>126,740</u>	<u>3,939,649</u>	<u>-</u>	<u>-</u>	<u>34,600</u>	<u>34,600</u>
Grants receivable for core activities								
DWP	95,129	-	3,879	99,008	-	-	-	-
Sports England administered by Gateshead Council	-	-	105,532	105,532	-	-	-	-
Other Grants from Institutions	12,780	-	17,329	30,109	-	-	34,600	34,600
Gateshead Council gift of lease of leisure centre	-	3,680,000	-	3,680,000	-	-	-	-
	<u>107,909</u>	<u>3,680,000</u>	<u>126,740</u>	<u>3,914,649</u>	<u>-</u>	<u>-</u>	<u>34,600</u>	<u>34,600</u>

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****4 Income from charitable activities**

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Provision of Leisure Facilities		
Pool and Gym Income	851,097	-
Hire of Facilities	250,754	-
	<u>1,101,851</u>	<u>-</u>

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other fund raising activities	48,228	-
Entertainment for Gateshead C.I.C	131,785	-
	<u>180,013</u>	<u>-</u>
Other trading activities		

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Other fundraising costs	48,228	-
	<u></u>	<u></u>
Trading costs		
Entertainment for Gateshead C.I.C	89,130	-
Advertising	-	4,600
	<u>89,130</u>	<u>4,600</u>
Total costs	<u>137,358</u>	<u>4,600</u>

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****7 Expenditure on charitable activities**

	Provision of Leisure Facilities 2025 £	Provision of Leisure Facilities 2024 £
Direct costs		
Staff costs	699,048	-
Depreciation and impairment	139,804	-
Pool and Gym Costs	329,354	-
Events Costs	14,970	-
Building Running Costs	444,324	8,674
Subscriptions	22,892	957
	<u>1,650,392</u>	<u>9,631</u>
Share of support and governance costs (see note 8)		
Support	54,556	1,220
Governance	12,953	2,472
	<u>1,717,901</u>	<u>13,323</u>
Analysis by fund		
Unrestricted funds	1,495,228	13,323
Endowment funds - Leisure Centre Building	61,333	-
Restricted funds	161,340	-
	<u>1,717,901</u>	<u>13,323</u>

8 Support costs allocated to activities

	2025 £	2024 £
Office Costs	60,103	2,808
Governance costs	7,406	884
	<u>67,509</u>	<u>3,692</u>
Analysed between:		
Provision of Leisure Facilities	<u>67,509</u>	<u>3,692</u>

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****8 Support costs allocated to activities (Continued)**

	2025	2024
	£	£
Governance costs comprise:		
Audit fees	1,750	-
Accountancy	5,656	884
	<u>7,406</u>	<u>884</u>

9 Net movement in funds

The net movement in funds is stated after charging/(crediting):

Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	1,750	-
- for other financial services	5,656	-
Depreciation of owned tangible fixed assets	134,931	-
Impairment of loans	<u>4,873</u>	<u>-</u>

The figure for the impairment of the loan relates to amounts outstanding at the year end advanced to an independent entity (CIC) intended to operate a café within the leisure centre premises to further the charity's objectives.

The CIC never became operational, and the charity does not expect the loan to be repaid.

10 Employees

The average monthly number of employees during the year was:

2025	2024
Number	Number
<u>44</u>	<u>3</u>

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****10 Employees (Continued)**

Employment costs	2025	2024
	£	£
Wages and salaries	651,796	-
Social security costs	22,253	-
Other pension costs	4,920	-
	<u>678,969</u>	<u>-</u>

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

Remuneration of key management personnel

The aggregate remuneration paid to the entity's key management personnel for the financial year, which includes salaries, associated employer National Insurance contributions, and employer pension contributions, is shown below:

Trustee acting in capacity as CEO - £32,713

Centre Manger - £41,409

11 Other expenditure

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Other expenditure	<u>7,386</u>	<u>1,227</u>

The expenditure included within Other expenditure relates to amounts expended in the charity's initial period of operation, when financial systems, processes and record-keeping arrangements were still being established. As a result, the precise nature and classification of these expenditure items could not be determined and they have therefore been presented within Other expenditure.

As the charity has become more established, financial procedures, internal controls and record-keeping processes have been further developed and strengthened to support clearer identification and classification of expenditure in future periods.

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****13 Tangible fixed assets**

	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Computers	Equipment held under finance lease	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	-	25,300	-	9,566	-	34,866
Additions	3,680,000	12,234	33,243	13,615	144,959	3,884,051
At 31 March 2025	3,680,000	37,534	33,243	23,181	144,959	3,918,917
Depreciation and impairment						
Depreciation charged in the year	61,333	506	6,649	3,579	62,864	134,931
At 31 March 2025	61,333	506	6,649	3,579	62,864	134,931
Carrying amount						
At 31 March 2025	3,618,667	37,028	26,594	19,602	82,095	3,783,986
At 31 March 2024	-	25,300	-	9,566	-	34,866

The charity holds a 50-year leasehold interest in the land and buildings of Gateshead Leisure Centre, transferred to the charity on 31 May 2024. The lease was initially granted at a peppercorn rent, with subsequent lease terms agreed to commence five years from the date of transfer (see Note 23).

A valuation was undertaken by a qualified member of the Royal Institution of Chartered Surveyors (RICS) using the Depreciated Replacement Cost (DRC) method. The property was valued at £3,680,000 as at 31 December 2025. For the purposes of these financial statements, this valuation has been used to approximate the fair value of the gift of the lease of the leisure centre to the charity on the 31 May 2024.

Depreciation is charged from 31 May 2024, being the date the charity obtained control of, and began to benefit from, the asset.

14 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	36,456	-
Other debtors	400	34,600
Prepayments and accrued income	210,950	19,333
	247,806	53,933

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****14 Debtors****(Continued)**

Included on the figure of prepayment and accrued income is an amount of £105,532 receivable in respect of funding support for the leisure centre in the period up to 31 March 2025. The Charity received the payment in May 2025.

15 Loans and overdrafts

	2025	2024
	£	£
Other borrowings	212,529	100,000
	<u> </u>	<u> </u>
Payable within one year	47,868	-
Payable after one year	164,661	100,000
	<u> </u>	<u> </u>
Amounts included above which fall due after five years:		
Payable by instalments	23,848	-
	<u> </u>	<u> </u>

At the balance sheet date, the charity had two loans outstanding, both of which are unsecured.

Key fund loans: This loan is unsecured and repayable over 84 months.

The total amount payable under the loan is £169,061, including interest at an effective annual rate of 11.59% (nominal rate 6.5% per annum).

Repayments are made in equal monthly instalments. Interest expense charged to the Statement of Financial Activities during the year amounted to £12,557.

Other Borrowings: This loan is provided interest-free and is repayable in equal monthly installments over a period of 36 months.

No security or charge has been granted over any of the charity's assets in respect of these borrowings.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****16 Finance lease obligations**

Future minimum lease payments due under finance leases:

	2025	2024
	£	£
Within one year	78,451	-
Within two and five years	55,598	-
	<u>134,049</u>	<u>-</u>

The obligations under finance leases are secured over the assets to which they relate

17 Creditors: amounts falling due within one year

	Notes	2025	2024
		£	£
Obligations under finance leases	16	78,451	-
Borrowings		47,868	-
Other taxation and social security		56,014	(1,444)
Deferred income		2,968	-
Trade creditors		104,315	23,764
Other creditors		63,748	6,028
Accruals		98,962	1,044
		<u>452,326</u>	<u>29,392</u>

18 Creditors: amounts falling due after more than one year

	Notes	2025	2024
		£	£
Obligations under finance leases	16	55,598	-
Borrowings		164,661	100,000
Trade creditors		142,321	-
		<u>362,580</u>	<u>100,000</u>

Long-term trade creditors relate to amounts owed to Gateshead Council for the provision of utilities and gym equipment. The balances are subject to a two-year repayment plan commencing in June 2025. The amounts disclosed above as long-term creditors represent amounts falling due after more than one year.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****19 Retirement benefit schemes**

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,920	-
	<u> </u>	<u> </u>

The Trustees of the Charity operate a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charitable Company in an independently administered fund.

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
General funds	(14,460)	1,415,578	(1,639,972)	(238,854)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2023	Incoming resources	Resources expended	At 31 March 2024
	£	£	£	£
General funds	-	4,690	(19,150)	(14,460)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****21 Restricted funds**

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
Computer software fund	34,600	-	(34,600)	-
Swimming pool fund	-	105,532	(105,532)	-
Salary fund	-	6,250	(6,250)	-
Patient referral fund	-	11,080	(11,080)	-
Travel fund	-	3,878	(3,878)	-
	<u>34,600</u>	<u>126,740</u>	<u>(161,340)</u>	<u>-</u>
Previous year:				
	At 1 April 2023	Incoming resources	Resources expended	At 31 March 2024
	£	£	£	£
	-	34,600	-	34,600
	<u>-</u>	<u>34,600</u>	<u>-</u>	<u>34,600</u>

Computer Software Fund

Funding provided to cover back-office software systems,

Swimming Pool Fund

Funds provided for the specific purpose of covering energy and chemical costs related to running the swimming pool.

Salary Fund

Funds provided specifically to cover three months' salary for an employee.

Patient Referral Fund

Funding provided to support 120 patients with two sessions per week for 12 weeks, to enable patients to attend structured physical activity sessions at the leisure centre to improve fitness, health, and wellbeing.

Travel Fund

Funding provided specifically to cover taxi costs for staff travelling to and from the centre under the Access to Work scheme.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****22 Endowment funds - Leisure Centre Building**

These are endowment funds which are material to the Charitable Company's activities.

	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
Leisure Centre Building Lease	-	3,680,000	(61,333)	3,618,667
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The leisure centre building is held as an endowment fund and was initially granted to the charity by Gateshead Council under a peppercorn lease for the first five years. The building is used solely to provide facilities and services to the community in furtherance of the charity's objectives.

The lease includes provisions for the rent to be reviewed every five years based on the tenant's net profits. At each review date, the rent is calculated as 5% of the average net profits over the preceding five-year period, as determined from the audited accounts, in accordance with the lease terms.

The lease term is 50 years, with rent reviewed every five years based on the charity's net profits. Given the long time horizon and the many factors that could influence future profits, the amount of rent at each review is highly uncertain. As a result, no lease liability has been recognized for these variable future payments.

23 Analysis of net assets between funds

	Unrestricted funds	Leisure Centre Building funds	Restricted funds	Total
	2025	2025	2025	2025
	£	£	£	£
At 31 March 2025:				
Tangible assets	165,319	3,618,667	-	3,783,986
Current assets/(liabilities)	(41,593)	-	-	(41,593)
Long term liabilities	(362,580)	-	-	(362,580)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(238,854)	3,618,667	-	3,379,813
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****23 Analysis of net assets between funds****(Continued)**

	Unrestricted funds	Leisure Centre Building funds	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
At 31 March 2024:				
Tangible assets	34,866	-	-	34,866
Current assets/(liabilities)	50,674	-	34,600	85,274
Long term liabilities	(100,000)	-	-	(100,000)
	<u>(14,460)</u>	<u>-</u>	<u>34,600</u>	<u>20,140</u>

24 Related party transactions***Gateshead Council***

One of the charity's trustees is also a councillor for Gateshead Council.

The charity enters into a number of transactions with Gateshead Council, reflecting the Council's interest in providing its constituents with access to a leisure facility.

These transactions primarily relate to the grant of the building and the provision of services and equipment. In particular, the charity purchases utilities from Gateshead Energy Company, a Company wholly-owned by the council.

Given the volume and routine nature of these transactions, it is not practical to identify and disclose those individual transaction.

GATESHEAD ACTIVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

24 Related party transactions

(Continued)

Gateshead Corporation Employees Sports And Social Club CIC

Gateshead Corporation Employees Sports and Social Club CIC is a related party of the charity, as it shares common directors with the charity.

As at the year end, the charity owed £100,000 to this entity.

The loan is referred to as “other loans” in note 17 of the financial statements and the terms can be found there.

Trustees

The Trustees volunteer their services to the charity (other than as disclosed in note 12) and do not receive reimbursement for their time and travel costs.

The trustees and their family members use and pay for the use of the leisure centre facilities on the same basis as any member of the public. It is not practical to identify and disclose these transactions.

During the year the trustees made no donations to the charity.

Other Related parties

During the year certain individuals who are family members of certain trustees were employed by the as part of its normal operating functions.

The aggregate total of their remuneration was £12,202.

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025**

25	Cash generated from operations	2025	2024
		£	£
	Surplus for the year	3,359,673	20,140
	Adjustments for:		
	Investment income recognised in statement of financial activities	(805)	-
	Gift of leisure centre lease as non-cash donation	(3,680,000)	-
	Depreciation and impairment of tangible fixed assets	139,804	-
	Movements in working capital:		
	(Increase) in debtors	(198,746)	(53,933)
	Increase in creditors	435,968	29,392
	Increase in deferred income	2,968	-
	Cash generated from/(absorbed by) operations	58,862	(4,401)

26	Analysis of changes in net (debt)/funds	At 1 April 2024	Cash flows	New finance leases	At 31 March 2025
		£	£	£	£
	Cash at bank and in hand	60,733	102,194	-	162,927
	Loans falling due within one year	-	(47,868)	-	(47,868)
	Loans falling due after more than one year	(100,000)	(64,661)	-	(164,661)
	Obligations under finance leases	-	-	(134,049)	(134,049)
		(39,267)	(10,335)	(134,049)	(183,651)

GATESHEAD ACTIVE LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****27 Prior period adjustment****Changes to the balance sheet**

	At 31 March 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	19,333	34,600	53,933
	<u> </u>	<u> </u>	<u> </u>
Capital funds			
Income funds			
Restricted funds	-	34,600	34,600
Unrestricted funds	(14,460)	-	(14,460)
	<u> </u>	<u> </u>	<u> </u>
Total equity	(14,460)	34,600	20,140
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 March 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Donations and legacies	-	34,600	34,600
	<u> </u>	<u> </u>	<u> </u>
Net movement in funds	(14,460)	34,600	20,140
	<u> </u>	<u> </u>	<u> </u>

During the year, it was identified that a grant recognised in the current financial year related to entitlement arising in the prior year. Following review of the grant agreement, it was determined that the charity had a virtually certain right to receive the grant in the prior year and that the amount could be reliably measured.

As a result, the comparative figures for the prior year have been restated to reflect recognition of the grant in the correct period.