

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2022
for
Southwell Leisure Centre

Tom Geraghty & Associates
Chartered Accountants and Business Advisors
38 North Gate
Newark
NG24 1EZ

Southwell Leisure Centre

Contents of the Financial Statements
for the Year Ended 31 March 2022

	Page
Report of the Trustees	1 to 4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 to 12
Detailed Statement of Financial Activities	13 to 14

Southwell Leisure Centre
Report of the Trustees
for the Year Ended 31 March 2022

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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

Objectives and aims

The object of the trust is to establish and maintain sporting, recreational and community facilities in particular for (but not limited to) the inhabitants of the Southwell and district, with the object of improving the conditions of life for the inhabitants.

Significant activities

The Trustees seek to achieve the charity's objects through the operation of the Southwell Leisure Centre. This objective has remained unchanged throughout the year ended 31 March 2022.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing the Trusts aims and objectives and in planning future activities.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The significant reduction across both income and attendance was in view of 6 months trading of Southwell Leisure Centre the trading covers the period 01 April 2021 to 30 September 2021. All activities and operations of the Leisure Centre commencing 1 October 2021 were transferred to Newark & Sherwood District Council as part of a Lease Management Agreement.

Prices charged to users of the Centre continue to provide low-cost access to sporting, recreational and community facilities for the general public.

The Trustees acknowledge the hard work done by the General Manager and staff in continuing to achieve the high quality of services provided especially given the additional pressures of a global pandemic.

FINANCIAL REVIEW

Financial position

For the year ended 31 March 2022, incoming resources decreased by £92,263 to £511,363 (15.65%). Of this, £66,685 related to government grant income. The charity reported a deficit of £217,162 during the year.

The balance of unrestricted funds carried forward at 31 March 2022 was £2,000 in deficit (2021 - £52,362).

Lease Management Arrangement

From 1st October 2021, the management of the Leisure Centre has been transferred over to Active4Today Limited, a wholly owned subsidiary at Newark and Sherwood District Council.

Maintenance of Charitable Assets

Under the terms of the lease management arrangements to Newark & Sherwood District Council, the leasees are required to maintain the assets of the leisure centre the land and building environment in good condition at all times. To ensure compliance the Trustees will be making regular inspections to the leisure centre

Southwell Leisure Centre

Report of the Trustees for the Year Ended 31 March 2022

FINANCIAL REVIEW

Going concern

The accounts are prepared on the going concern basis and reflect joint working with Newark and Sherwood District Council. In the year the Trust has received financial support from Newark and Sherwood District Council of £66,685 (2021: £133,370).

Funds

Throughout the duration of the lease agreement, Newark & Sherwood District Council/Management Company shall provide the Trust with an annual budget of up to £10,000 to support the Trust. The Council and the Trust shall regularly review the figure if there is an unexpected reasonable expense incurred by the Trust which goes beyond the annual cap of £10,000, the Council and Trust shall work together and decide who shall bear the expense.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is administered in accordance with the Scheme of Administration established 24th October 1974 as amended by the Charity Commission on 29th December 1983.

Recruitment and appointment of new trustees

In accordance with the Scheme of Administration the Trustees shall consist of nine persons, six of whom shall be appointed by Newark & Sherwood District Council and the three by Southwell Town Council. Each appointment is made for a term of one year at a meeting convened in accordance with the ordinary practice of the appointing council. The person appointed need not be a member of the appointing council. A list of trustees and officer of the Trust who were in post when this report and account were approved is shown below.

Induction and training of new trustees

Newly appointed Trustees are provided with a comprehensive induction to Southwell Leisure Centre through the provision of training courses and mentoring by established Trustees.

Organisational structure

Throughout the period April 2021 – September 2021 the Trustees delegated the day-to-day management of the centre to the General Manager in consultation with the chairman and treasurer based on targets set by them for the performance of the centre which are regularly reviewed and amended as appropriate.

Key management remuneration

Throughout the period April 2021 – September 2021 the Trustees considered the role and responsibilities of key management personnel with the charity operating the same pay scale as Newark & District Sherwood Council.

Risk management

As from 1 October 2022 the responsibility of managing the assets of the Trust rest with Newark & Sherwood District Council

Southwell Leisure Centre

Report of the Trustees
for the Year Ended 31 March 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

522301

Principal address

Southwell Leisure Centre
Nottingham Road
Southwell
Nottinghamshire
NG25 0LG

Trustees

Representing Newark & Sherwood District Council

B Ashworth
P Handley (Resigned September 2021)
P Rainbow
T Wendels
R Blaney
B Laughton (Appointed May 2020)
D Martin

Representing Southwell Town Council

P Harris (Appointed May 2020)
S Perry (Resigned May 2021)
J Lightwood (Appointed May 2021)
P Scorer (Appointed May 2021)

Treasurer - T P Geraghty

Accountant

Tom Geraghty & Associates Chartered Accountants and Business Advisors
38 North Gate
Newark
Nottingham's
NG24 1EZ

Financial, legal and treasury management advice

Newark & Sherwood District Council
Castle House
Great North Road
Newark
NG24 1BY

Management (6 months to 30 September 2021)

General Manager	- Andrew Nelson
Assistant Manager	- William Davison
Operations Managers	- John Wood
	- Kimberley Priestley
	- Robert Edlin

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Southwell Leisure Centre

Report of the Trustees
for the Year Ended 31 March 2022

ACKNOWLEDGEMENT

The Trustees acknowledge the support given (both financial and administrative) by members and officers of Newark & Sherwood District Council.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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 and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 27.10.22 and signed on its behalf by:


.....
R Blaney - Trustee

Southwell Leisure Centre

Statement of Financial Activities
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	66,685	-	66,685	133,370
Charitable activities	5				
Leisure centre		390,572	-	390,572	231,924
Other trading activities	3	3,100	-	3,100	2,746
Investment income	4	-	-	-	-
Other income		51,006	-	51,006	238,586
Total		511,363	-	511,363	606,626
EXPENDITURE ON					
Raising funds	6	1,664	-	1,664	(1,165)
Charitable activities	7				
Leisure centre		564,061	162,800	726,861	1,291,099
Total		565,725	162,800	728,525	1,289,934
NET INCOME/(EXPENDITURE)		(54,362)	(162,800)	(217,162)	(683,308)
RECONCILIATION OF FUNDS					
Total funds brought forward		52,362	2,934,800	2,987,162	3,670,470
TOTAL FUNDS CARRIED FORWARD		(2,000)	2,772,000	2,770,000	2,987,162

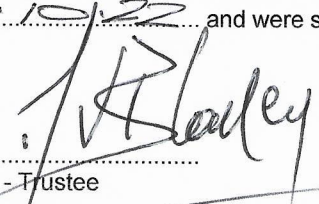
The notes form part of these financial statements

Southwell Leisure Centre

Balance Sheet
31 March 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	-	2,772,000	2,772,000	2,934,800
CURRENT ASSETS					
Stocks	11	-	-	-	7,017
Debtors	14	-	-	-	90,837
Investments	15	-	-	-	23,748
Cash at bank		-	-	-	220,000
		-	-	-	341,602
CREDITORS					
Amounts falling due within one year	16	(2,000)	2,772,000	(2,000)	(289,240)
NET CURRENT ASSETS		(2,000)	2,772,000	(2,000)	52,362
NET ASSETS		(2,000)	2,772,000	2,770,000	2,987,162
FUNDS	17				
Unrestricted funds				(2,000)	52,362
Restricted funds				2,772,000	2,934,800
TOTAL FUNDS				2,770,000	2,987,162

The financial statements were approved by the Board of Trustees and authorised for issue on 27.10.22 and were signed on its behalf by:


.....
R Blaney - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is included when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure relating to donated services and facilities is included on the same basis and at equivalent amounts as recognised within incoming resources.

Support costs are those costs which have not been directly allocated to an activity of the charity but nevertheless support those activities. These costs have been allocated to charitable activities.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the direct pay and non-pay costs and support costs relating to those activities.

Raising funds

The costs of generating funds consist of investment management, certain legal fees, purchases of sport equipment and vending machine purchases.

Governance costs

Governance costs are associated with the administrative arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with the charitable activity. These include audit fees, legal advice and preparation of the statutory accounts and costs of Trustee meetings. Included within this category are any costs associated with strategic as opposed to day to day management of the centre. These costs are shown within charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings, installations & fittings	- Straight line over 25 years
Land	- not provided
Gym equipment & installation	- Straight line over 4 years

All assets which have a cost equal to or greater than £5,000 are capitalised.

Donated assets are capitalised at their valuation on a full replacement cost basis on receipt and are revalued and depreciated as described above.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds - The charity has a single capital fund representing the tangible fixed assets which are held on trust for the benefit of the charity. Realised and unrealised gains and losses on revaluation of these assets form part of the fund. Similarly, provisions for depreciation also form part of the fund.

Unrestricted funds - These are funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity.

Designated funds - The trustees have allocated funds to a strategic reserve. These funds are to cover any contingencies which may arise in the coming years.

Pension costs and other post-retirement benefits

During the period of trading from April 22 to September 22 the charity has adopted status as part of the local government pension scheme for its employees, which is administered by Nottingham's County Council. The scheme is operated on a defined benefit basis, as a multi-employer scheme, the charity is unable to identify its share of the scheme assets and liabilities and therefore the charity is accounting for contributions to the scheme on a defined contributions basis with contributions being charged to the Statement of Financial Activities in the period for which they are incurred.

Donated goods and services

Donated services and facilities are included in incoming resources when the benefit to the charity is reasonably quantifiable and measurable. They are valued at the amount the charity would have been charged by Newark and Sherwood District Council.

Short term investments

Investments are not held with the intention to reinvest but are made short term as cash flow allows. The gross return is based on the local authority 7-day rate and all investments are currently with Newark & Sherwood District Council.

Government grants

Government grants are treated on an accruals basis. Grants in relation to furlough and COVID grants are recognised as part of grants in the SOFA

2. DONATIONS AND LEGACIES

	2022 £	2021 £
Donated services and facilities	66,685	133,370
	<u>66,685</u>	<u>133,370</u>

3. OTHER TRADING ACTIVITIES

	2022 £	2021 £
Vending machine sales	1,436	1,974
Equipment sales	1,664	772
	<u>3,100</u>	<u>2,746</u>

4. INVESTMENT INCOME

	2022 £	2021 £
Investment income	-	-
	<u>-</u>	<u>-</u>

Southwell Leisure Centre

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Active subscriptions	Leisure centre	179,264	112,106
Xperience	Leisure centre	126,290	72,723
Dryside	Leisure centre	19,065	14,724
Swimming lessons	Leisure centre	13,468	5,896
Wetside	Leisure centre	44,996	20,147
Outdoor	Leisure centre	7,489	6,328
		<u>390,572</u>	<u>231,924</u>

6. RAISING FUNDS

Other trading activities

	2021 £	2021 £
Purchases	<u>1,664</u>	<u>(1,165)</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Leisure centre	<u>609,218</u>	<u>126,131</u>	<u>735,349</u>

8. SUPPORT COSTS

	Donated services £	Other £	Governance costs £	Totals £
Leisure centre	<u>66,685</u>	<u>15,816</u>	<u>43,630</u>	<u>126,131</u>

Donated services and facilities

These are all donations by Newark & Sherwood District Council in accordance with Service Level Agreements. The values of these donated services are based on estimated open market values and are summarised as follows:

	2022 £	2021 £
Active4Today management fee		80,850
Personnel and training		11,690
Financial services (accounting, payroll, creditors)		9,800
Information systems		18,680
Health & safety		6,850
Building services		2,810
Telephones		1,420
Southwell Trustees and Committee Section		1,270
	<u>66,685</u>	<u>133,370</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,100	4,850

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

11. STAFF COSTS

	2022 £	2021 £
Wages and salaries	237,997	472,569
Social security costs	11,799	20,032
Other pension costs	61,281	123,915
	<u>311,077</u>	<u>616,516</u>

The average monthly number of employees during the period was as follows:

	2022	2021
Employees	55	60

No employees received emoluments in excess of £60,000.

During the year key management personnel were paid a total of £71,572 (2021: £139,585).

12. TANGIBLE FIXED ASSETS

	Buildings, installations & fittings £	Land £	Gym equipment & installation £	Totals £
COST				
At 1 April 2021 and 31 March 2022	4,070,000	330,000	240,503	4,640,503
DEPRECIATION				
At 1 April 2021	1,465,200	-	240,503	1,705,703
Charge for year	162,800	-	-	162,800
At 31 March 2022	1,628,000	-	240,503	1,868,503
NET BOOK VALUE				
At 31 March 2022	2,442,000	330,000	-	2,772,000
At 31 March 2021	2,604,800	330,000	-	2,934,800

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. STOCKS

	2022		2021
	£		£
Stocks	-		7,017

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022		2021
	£		£
Other debtors	-		90,837

15. CURRENT ASSET INVESTMENTS

	2022		2021
	£		£
Short term investments	-		23,748

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022		2021
	£		£
Other creditors and Accruals	2,000		90,837
	2,000		90,837

17. MOVEMENT IN FUNDS

	At 1.4.21	Net	At
	£	movement	31.3.22
		in funds	£
		£	
Unrestricted funds			
General fund	(167,638)	(54,362)	(222,000)
Strategic reserves	220,000	-	220,000
	52,362	(54,362)	(2,000)
Restricted funds			
Restricted funds	2,934,800	(162,800)	2,772,000
TOTAL FUNDS	2,987,162	(217,162)	2,770,000

Southwell Leisure Centre

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	511,363	(565,725)	(54,362)
Restricted funds			
Restricted funds	-	(162,800)	(162,800)
TOTAL FUNDS	511,363	(728,525)	(217,162)

The amount due from Newark and Sherwood District Council is £0 (2020: £0).

During the year, the charity was provided with donated services and facilities from Newark & Sherwood District Council in the sum of £66,685 (2021: £133,370) which all related to administrative support costs. The value of these donated services and facilities are based on estimated open market values.

19. POST BALANCE SHEET EVENTS

In October 2021, Southwell Leisure Centre entered into a lease management arrangement with Newark and Sherwood District Council. The management of the Leisure Centre was transferred to Active4Today Limited, a wholly owned subsidiary at Newark and Sherwood District Council, whereby Active4Today Limited will be responsible for the operations of the charity.

20. GOVERNMENT GRANTS

During the financial year the charity received government grants totaling £37,739.

Southwell Leisure Centre

Detailed Statement of Financial Activities
for the Year Ended 31 March 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donated services and facilities	66,685	133,370
Other trading activities		
Vending machine sales	1,436	1,974
Equipment sales	1,664	772
	<hr/> 3,100	<hr/> 2,746
Investment income		
Investment income	-	-
Charitable activities		
Active subscriptions	179,264	112,106
Xperience	126,290	72,723
Dryside	19,065	14,724
Swimming lessons	13,468	5,896
Wetside	44,996	20,147
Outdoor	7,489	6,328
	<hr/> 390,572	<hr/> 231,924
Other income		
Other income	13,267	2,394
Government grants	37,739	236,192
	<hr/> 51,006	<hr/> 238,586
Total incoming resources	<hr/> 511,363	<hr/> 606,626
EXPENDITURE		
Other trading activities		
Purchases	1,664	(1,165)
Charitable activities		
Gross salaries & wages	237,997	472,569
Employers national insurance	11,799	20,032
Employers pension contribution	61,281	123,915
Training, freelance instructors & agency staff	18,873	16,765
Metered water charges	5,614	14,836
Electricity	25,097	41,648
Gas	16,934	32,588
Repairs & maintenance	16,497	84,622
Postage and stationery	1,325	2,794
Advertising	1,528	6,100
Sundries	554	340
Contracted services	13,450	22,181
Cleaning materials	1,820	4,274
Telephone	(1,436)	13,473
Insurance	28,614	25,280
Licences	503	3,411
Chemicals & consumables	2,783	3,434
Equipment costs	2,793	10,729
Bank and credit card charges	392	327
Carried forward	<hr/> 446,418	<hr/> 899,318

This page does not form part of the statutory financial statements

Southwell Leisure Centre

Detailed Statement of Financial Activities
for the Year Ended 31 March 2022

	2022 £	2021 £
Charitable activities		
Brought forward	446,418	899,318
Clothing & uniform	-	688
Depreciation of tangible fixed assets	162,800	162,800
Loss on sale of tangible fixed assets	-	-
	<hr/> 609,218	<hr/> 1,062,806
Support costs		
Donated services		
Donated services	66,685	133,370
Other		
Irrecoverable VAT	15,816	60,996
Governance costs		
Auditors' remuneration	5,100	4,850
Professional services	36,530	27,077
Accountancy	2,000	2,000
Active 4 Today	(8,488)	-
	<hr/> 35,142	<hr/> 33,927
Total resources expended	<hr/> 728,525	<hr/> 1,289,934
Net expenditure	<hr/> <hr/> (217,162)	<hr/> <hr/> (683,308)

Independent Examiner's Report of Southwell Leisure Centre

Year Ended: 31st March 2022

Independent Examiner: Olivia Geraghty

This examination shall note any items that are unusual, and any items that are material matters of concern. The examination has been undertaken by the guidance of the Charity Commission for England and Wales (CC32).

1. Accounting records are consistent with the accounts produced and computerised accounting records are kept accurately. It is reasonable for the examiner to conclude that the accounts are not materially inconsistent with records examined.
2. There were no relevant disclosures of related party transactions during the year. Full compliance with the statement of recommended practice (SORP) has been examined and has been disclosed in the financial statements.
3. The financial statements have clearly identified the types of funds (restricted and non-restricted) and the income transactions for each fund, displaying understanding from the trustees of the types of funds held. There are individual descriptions of each fund showing the nature of the individual funds. This confirms to the examiner that there is no material breach of trust in the use of charitable funds during the reporting period. There has been no material departure from the methods and principles of SORP.
4. The examination can confirm that the accounts have been properly prepared with relevant documentation. They are compliant with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) and Generally Accepted Accounting Practice in the UK (UK GAAP).
5. The examination found no material items that required further explanation.
6. There was no material inconsistency found between the trustees' annual report and the accounts. There is clear confirmation to the reference to the Charity commission's general guidance to public benefit and compliance with the duty in section 4 of the Charities Act 2006.

I can confirm that all matters required by the 2008 regulations have been covered during the preparation of this report. There are no concerns identified to bring to the attention of the trustees. This examination is a limited form of scrutiny and is not an audit.



Olivia Geraghty CA

Date: 25 January 2023

Independent examiner conducted by Olivia Geraghty CA

Tom Geraghty & Associates Limited

38 North Gate

Newark-on-Trent

Nottingham

NG24 1EZ

01636 642 882

Report prepared for the trustees of:

Charity number 522301

Southwell Leisure Centre

Nottingham Road

Southwell

Nottinghamshire

NG25 0LG