

JESMOND COMMUNITY LEISURE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



JESMOND COMMUNITY LEISURE
(A company limited by guarantee)

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JESMOND COMMUNITY LEISURE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018

Trustees

Christopher J L Clarke
Annette Hames
Simon Leach, Company Secretary
Michael D Miller
Paul Ryder (resigned 3 June 2018)
Russell S Deane (resigned 1 February 2018)
W Leslie Hodgson (resigned 30 May 2018)
Elizabeth McAlpine (resigned 5 February 2018)
J Barrie Thompson
Paul Rea
Duncan Davies
Martin Hunt
Gary Laverick (resigned 3 June 2018)

Company registered number

02645699

Charity registered number

1010563

Registered office

Jesmond Pool, St George's Terrace, Jesmond, Newcastle upon Tyne, NE2 2DL

Company secretary

Simon Leach

Operations Manager

Phil Drape

Independent auditors

Ryecroft Glenton, 32 Portland Terrace, Newcastle upon Tyne, NE2 1QP

Bankers

The Co-operative Bank plc, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

Barclays Bank plc, 4 Acorn Road, Newcastle upon Tyne, NE2 2DJ

United Trust Bank Limited, One Ropemaker Street, London, EC2Y 9AW

Solicitors

Womble Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX

JESMOND COMMUNITY LEISURE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements of Jesmond Community Leisure (the charitable company) for the year ended 31 December 2018. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The charitable company changed its name to Jesmond Community Leisure on 23rd February 2011. The company continues to be known under the name Jesmond Pool.

The project supports and voluntarily complies with the Charter of Integrity of the Sports and Recreation Trusts Association.

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees and Members have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The core objectives, along with the chosen strategies, are summarised below and provide evidence of Public Benefit. The Trustees also produce an annual report that gives more detail on these objectives and is provided at the AGM. The Trustees are satisfied that they have achieved the objectives set and have made a significant improvement to the lives of people and organisations supported by our operations.

The overall objects of the company were slightly broadened during 2012, as described above. In addition, its detailed policies and objectives have been refined over the years since its establishment, most notably in the sets of Social Accounts first published in 2007 (the 2006 Social Accounts) and reviewed in the 2008, 2010 and 2012 Social Accounts. The 2012 Social Accounts set out the Pool's Objectives and Strategies as follows:

To meet the swimming and leisure related needs of all groups in the local and wider community

- Constantly review the programme and take into consideration customer feedback and community concerns.
- Network with other similar projects across the country, learn from them and assist them whenever we can.

To secure the long-term future of the project by maintaining its financial viability

- Employ rigorous financial controls and management systems;
- Operate in a way that meets Charity Commission and Company regulatory requirements;
- Use budgetary controls, cash flow and pricing reviews;
- Take reputable legal and financial advice; and
- Have a Trustee working group for financial matters.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

To ensure we retain local support, through a strong sense of community interaction

- Be open and accountable in operating the Pool on behalf of local people, through communication with our community;
- Keep local people aware of the operation and updated on the Pool's progress, and attend community events;
- Encourage the public to attend Trustee meetings;
- Provide a programme that reflects customer demand; and
- Have a Trustee working group for communication matters.

To maintain and develop the building, at least in line with lease requirements

- Enhance and develop the building as funds allow;
- Have a Trustee working group for building matters.

To provide a working environment that values and develops all of its people to ensure business success, whilst being inclusive and participative

- Recruit, train and retain motivated, highly qualified, flexible and empowered staff;
- Encourage full staff participation in the running and success of the Pool;
- Enhance the skills of staff by providing excellent training opportunities;
- Offer high quality training and support to all operational volunteers, enabling them to gain paid employment at Jesmond Pool or elsewhere;
- Make full use of volunteers as Trustees/Directors and Members of the Pool; and
- Have a Trustee working group for Human Resource matters.

To operate the building and activities, following current industry and best practice guidelines

- Ensure operational managers are industry qualified, and keep Trustees updated with industry trends; and
- Regularly train all staff in operational matters, following industry best practice guidelines.

To reduce our environmental impact

- Operate the building in an energy efficient manner;
- Identify and reduce our carbon footprint;
- Provide facilities to encourage users to walk, cycle or use nearby public transport to reach the Pool;
- Actively recycle products used within the Pool by staff and customers; and
- To keep our chemical impact as low as possible by using new technologies.

b. Activities for achieving objectives

During 2018 the charitable company continued to develop its activities in pursuit of these objectives. The Pool continues to play a prominent role in the local and wider community.

The provision of Swimming lessons continues to expand in terms of volume and breadth. We have begun offering free trials to all customers to make sure the lessons are right for their child, and we have added additional 'Mother and Baby' classes, which have been well attended.

The Personal Training offering continues to grow and is very popular with the over 50's.

We continue to offer a wide range of holistic treatments which now includes physiotherapy and reflexology, as well as acupuncture and ultrasound. Due to increasing demand, we have developed the management office into a second holistic therapy room.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

c. Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision. We estimate that over 1,200 volunteer hours were provided during the year, of which approximately 20% related to essential work, and the remainder enhancing the quality of service offered by the Pool. We develop approximately 90 new lifeguards each year (mostly young people) and can offer them practical work experience which they would not find elsewhere. We continue to work with The Prince's Trust by accepting young volunteers to work on our reception.

Achievements and performance

a. Review of activities

Mission

Supporting our community through the provision of swimming and other leisure related activities.

Values

- Belief in the power of sport and leisure related activities, to benefit all members of our community, regardless of their state of health or disability, and
- Belief in the ability of local communities to meet local needs.

Objective 1: to meet the swimming and leisure needs of all groups in the local and wider community.

We endeavour to offer a programme of activities to suit the needs of all our customers. We have kept our swimming timetable as accessible as possible, recognising the differing needs of adults and children, in times and in style of activity. There are slots in our timetable for babies through to older people, with instruction available for all. Holiday programmes also recognise these needs.

Activities in the fitness suites recognise differing needs by offering classes for teenagers and older people, or those on GP referrals. The basement and pool side fitness suites each have a slightly different ambience and range of equipment, providing an extra degree of choice for the increasing number of customers using fitness equipment. We have found this variety of environment and equipment popular with users and we are more able to cope with larger numbers.

The upstairs studio is used by all ages and by groups ranging from baby massage classes, through to childrens parties, to a full range of exercise and fitness classes. We also run a table tennis group for older adults.

We know that the majority of our users are local, but we also draw support from a wide area. Our impact on other similar bodies throughout the UK remains positive, and we continue to offer advice and support to many organisations on operational management and social accounting.

Objective 2: to secure the long-term future of the Project by maintaining its financial viability.

Our financial performance is monitored by the finance group, which meets every month and reports back to the Trustees. Monthly budget reports and P&L accounts are prepared and investigated to ensure we are up to date with financial performance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Objective 3: to ensure that we retain local support, through a strong sense of community interaction.

We network with as many community groups as possible, through our staff and Trustees, and maintain an ongoing dialogue with users, through the staff and customer comments. During 2018 we assisted the Friends of Elswick Pool in attempting to reopen their swimming facilities.

We have regular customer focus groups which help us understand the needs of our customers. Our website enables us to convey information to users, and we put all our main documents on the site for all to see. We have always found that our users are happy to speak to us to suggest improvements, or question what we do. This is invaluable marketing for us, and something we value strongly. We are further developing the use of social media such as Facebook, Twitter and Instagram, and have seen growth to over 1000 followers.

We support the annual Jesmond Community Festival and many other local charities and good causes, by supplying prizes for raffles. We have a Trustee group dealing purely with communications, who advise and direct the organisation in its community interaction.

We support young people from our local community through providing training and volunteering opportunities.

Objective 4: to maintain and develop the building, at least in line with lease requirements.

We far exceed our lease requirements in looking after, and developing the building, as we need to ensure we offer a good service. Since our upgrading of the building in 2003, we have continued to invest in improvements and maintenance, in order to keep the building open and usable. The trustees have set out a 5 year capital expenditure programme to ensure that facilities are upgraded when appropriate.

In the summer of 2018, we invested approximately £50,000 in upgrading the changing room facilities. We revamped the showers areas with new tiles and water-saving showers. In addition, we installed new environmentally-friendly LED mirrors in both changing rooms.

Objective 5: to provide a working environment that values and develops all of its people, to ensure business success, whilst being inclusive and participative.

Our staff remain our focus, and our staff retention levels are admirable, with many members of staff on, or approaching, 30 years' service.

Staff are involved in the management of the business as much as they would like to be, with members on sub groups, and staff participation at strategic planning events.

Training is a constant activity at the Pool, with all lifeguards needing to re qualify every 2 years. We also develop staff in other areas to help the business, and their own development. Volunteers continue to be a vital aspect of Jesmond Pool, and we train and develop local people throughout the year. It is particularly pleasing when local children who have used the Pool all of their lives, go on to be lifeguards for us. This has happened on many occasions, and the service benefits greatly from this.

Objective 6: to operate the building and activities, following current industry and best practice guidelines.

We ensure that all activities are led by suitably qualified staff and follow sector guidelines. Our procedures are reviewed as part of ongoing training, and we ensure that all staff who need DBS (Disclosure Barring Service) clearance are validated before working for us. We have our RLSS Approved Training Centre status externally reviewed each year. Several of our staff members are members of Leisure Institutes and receive regular updates on industry provision and developments. We also have staff members attending industry seminars and updates as part of their Continuing Professional Development and current status.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Objective 7: to reduce our environmental impact.

We had an updated building review by the Carbon Trust in 2018. The report was extremely favourable, and there were no significant issues or recommendations. We have an ongoing focus on reducing energy consumption. We have used a local firm to update our main boiler software which has generated savings on our gas usage. We have also installed water-saving shower heads in all our showers.

Our recycling of plastic water bottles and cardboard is very popular. We are working with our coffee cup providers to see if we can utilise an 'eco cup' to further reduce our impact.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

The trustees consider that unrestricted reserves should be kept to between £250,000 and £500,000. This allows for the organisation to react to unforeseen circumstances, whilst providing sufficient flexibility to operate on a day to day basis and take any appropriate decisions to further the Pool's strategic development. The lower value provides for costs in excess of estimated closure costs, plus a 5-year cycle of capital expenditure and equates to 6 months of running costs.

c. Principal funding

As a charity, Jesmond Community Leisure is unusual in that the vast majority of its income comes directly from its trading activities.

Income generated from charitable activities fees and subscriptions was £657,913 (2017: £618,799) compared to costs of generating those activities of £612,535 (2017: £620,597), giving a surplus on the provision of charitable activities of £45,378 (2017: deficit of £1,798).

Income continues to rise over prior years, boosted by continuing strong demand for group swimming lessons and gym membership.

Cashflow generated from operating activities amounted to £97,286 (2017: £96,388).

Overall, the charitable company generated a surplus in net incoming resources of £56,501 (2017: £10,244).

Given the amount of new external competition, the rising costs associated with running the project along with the investment and impact of refurbishment of the changing facilities during the year, the Trustees consider the results for the year to be extremely satisfactory.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

a. Constitution

Jesmond Community Leisure is a charitable company limited by guarantee set up by a Memorandum of Association on 13 September 1991 and is a registered charity number 1010563.

The object for which the company was established was defined in its original Memorandum as "the provision of swimming facilities for recreation and other leisure time activities for the inhabitants of the local and wider community." Through realising this object, the activities of the charitable company are actively displaying public benefit.

During 2012 the company decided on a broadening of its objects, in order to enable it to provide a wider range of services to its customers. An additional object, "the advancement of education, culture and the arts for the public benefit, including the provision of libraries, cultural activities, learning and information centres and other related services" was approved at a special meeting of the company on 10 June 2012, accepted by Companies House on 14 August 2012, and by the Charity Commission on 1 October 2012.

In order to facilitate electronic communication, assimilate previous changes to the company's charitable objects, and take on board changes resulting from the Companies Act 2006, a revised and re typed version of the company's Articles was approved at a special meeting of the company held on 30 June 2013. Although there were a number of changes to paragraph numbers and detailed wording, the company's objects and the main provisions of the articles remained unchanged. The updated articles were accepted by the Charity Commission on 3 July 2013, without comment, and Companies House was notified of the changes on 2 July 2013. Companies House also received the changes without comment.

b. Method of appointment or election of Trustees

The articles of association define the company structure, which includes both members of the company and directors (both of whom are appointed by the Board). There are currently no bodies who are automatically entitled to nominate directors to the Board, and the Board currently has no plans for changing this. New trustees are identified from amongst the customers and supporters of the project, including those attending the annual meeting. When a particular expertise is required (such as the Finance Director), an open recruitment process is followed.

c. Policies adopted for the induction and training of Trustees

A Trustees' Handbook has been drawn up, to assist in advising new trustees and members of their responsibilities.

d. Organisational structure and decision making

The Board of Directors is responsible for making all strategic decisions, and normally meets at least quarterly. Unless particularly sensitive matters are under discussion, Board meetings are open to the public.

During 2018 the Board continued to operate a number of specific working groups, comprising a mixture of trustees, members, and staff, to provide advice on Finance, Fundraising, Personnel, and Communications. These groups report to the Board Meetings.

Day to day management of the activities of the Pool and ancillary leisure facilities are delegated to the Operations Manager, who is not a director.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

e. Risk management

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

Plans for future periods

a. Future developments

The charitable company continues to focus on group swimming lessons and other activities that can mitigate competition from other providers. We have increased our gym membership numbers by providing a free weights section. A key focus for the coming period will be to invest in the upstairs gym to accommodate rehabilitating and 'over-55' customers.

Trustees' responsibilities statement

The Trustees (who are also directors of Jesmond Community Leisure for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.


JESMOND COMMUNITY LEISURE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Auditors

The auditors, Ryecroft Glenton, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 31 March 2019 and signed on their behalf by:


.....
Christopher J L Clarke, Chair

JESMOND COMMUNITY LEISURE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

Opinion

We have audited the financial statements of Jesmond Community Leisure (the 'charitable company') for the year ended 31 December 2018 set out on pages 13 to 27. 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 December 2018 and of its incoming resources and application of resources, including its income and expenditure 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 Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

JESMOND COMMUNITY LEISURE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

JESMOND COMMUNITY LEISURE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JESMOND COMMUNITY LEISURE

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Ryecroft Glenton

Chartered Accountants
Statutory Auditor

32 Portland Terrace
Newcastle upon Tyne
NE2 1QP
9 April 2019

Ryecroft Glenton are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

JESMOND COMMUNITY LEISURE
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:				
Donations and legacies	2	2,530	2,530	3,230
Charitable activities	3	657,913	657,913	618,799
Other trading activities		20,335	20,335	19,977
Investments	4	3,603	3,603	814
Other income		-	-	159
Total income		684,381	684,381	642,979
Expenditure on:				
Raising funds		15,345	15,345	12,138
Charitable activities		612,535	612,535	620,597
Total expenditure	7	627,880	627,880	632,735
Net income before other recognised gains and losses		56,501	56,501	10,244
Net movement in funds		56,501	56,501	10,244
Reconciliation of funds:				
Total funds brought forward		1,562,897	1,562,897	1,552,653
Total funds carried forward		1,619,398	1,619,398	1,562,897

The notes on pages 16 to 27 form part of these financial statements.

JESMOND COMMUNITY LEISURE
(A company limited by guarantee)
REGISTERED NUMBER: 02645699

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	11		1,120,314		1,123,538
Current assets					
Stocks	12	4,120		4,614	
Debtors	13	16,167		12,600	
Cash at bank and in hand		527,071		498,823	
		<u>547,358</u>		<u>516,037</u>	
Creditors: amounts falling due within one year	14	(48,274)		(76,678)	
Net current assets			<u>499,084</u>		<u>439,359</u>
Net assets			<u><u>1,619,398</u></u>		<u><u>1,562,897</u></u>
Charity Funds					
Unrestricted funds	15		<u>1,619,398</u>		<u>1,562,897</u>
Total funds			<u><u>1,619,398</u></u>		<u><u>1,562,897</u></u>

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

The financial statements were approved and authorised for issue by the Trustees on 31 March 2019 and signed on their behalf, by:



.....
Christopher J L Clarke, Chair

The notes on pages 16 to 27 form part of these financial statements.

JESMOND COMMUNITY LEISURE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>97,286</u>	<u>96,388</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(63,252)</u>	<u>(38,022)</u>
Net cash used in investing activities		<u>(63,252)</u>	<u>(38,022)</u>
Change in cash and cash equivalents in the year		34,034	58,366
Cash and cash equivalents brought forward		<u>493,037</u>	<u>434,671</u>
Cash and cash equivalents carried forward	18	<u><u>527,071</u></u>	<u><u>493,037</u></u>

The notes on pages 16 to 27 form part of these financial statements.

JESMOND COMMUNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Company status

Jesmond Community Leisure is a private Company limited by guarantee, incorporated in England and Wales, registration number 02645699 and charity number 1010563. The address of its registered office is disclosed in the Reference and Administrative Details section of these financial statements.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Jesmond Community Leisure meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Company Status

The charitable company is a company limited by guarantee. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.4 Fund accounting

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

JESMOND COMMUNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Income

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

Fees represent income receivable from the provision of swimming, sports and leisure activities to individuals and organisations on a pay for use basis.

Subscriptions and lesson fees received in advance of the period to which they relate are deferred.

Voluntary income is received as grants and donations. All monetary donations and grants are included in full in the Statement of Financial Activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Grants receivable for fixed assets are credited to restricted funds until the asset is purchased, at which point they are transferred to unrestricted funds unless the grant provider has included additional restrictions.

Gifts in kind for use by the charity are valued at the estimated cost which would have been incurred by the charity.

Investment income comprises bank and building society interest. The income is recognised when receivable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.6 Expenditure

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

Expenditure is allocated to the activity to which it relates. The total expenditure against activities shown in the Statement of Financial Activities includes both those costs that relate directly to the activity and an apportionment of support costs against the activity. The costs of staff involved in both charitable and support activities (defined below) have been allocated on the basis of an annual estimate of the time spent by these staff on these activities.

Support costs are those costs that cannot be directly allocated to a charitable activity. They include all central and management costs and administration overheads. Support costs are apportioned between the activities of the charity on a basis consistent with the use of the resources. This has been estimated on the basis of the relative direct costs of the activities. As the direct costs of charitable activities represent more than 95% of total direct costs of the organisation, support costs have been allocated in full against charitable activities, rather than apportion insignificant costs to other activities.

Governance costs are those costs associated with the constitutional and statutory requirements of the charitable company.

The charitable company is not registered for VAT and accordingly the costs shown are inclusive of VAT where applicable.

1.7 Going concern

The Trustees have considered the charitable company's current and future prospects and are satisfied that the charitable company can continue to pay its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the Trustees are satisfied that they may properly adopt the going concern basis of accounting when preparing these financial statements.

1.8 Tangible fixed assets and depreciation

All assets costing more than £350 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold building improvements -	10 to 80 years
Pool & sports equipment -	3 to 5 years
Fixtures and fittings -	5 years
Office equipment -	2 to 25 years

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.9 Stocks

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

1.10 Interest receivable

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

1.11 Pensions

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

1.12 Debtors

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

1.13 Cash at Bank and in hand

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

1.14 Creditors and provisions

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Income from donations and legacies

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,530	2,530	3,230
<i>Total 2017</i>	<i>3,230</i>	<i>3,230</i>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Provision of swimming and leisure activities	657,913	657,913	618,799
<i>Total 2017</i>	<i>618,799</i>	<i>618,799</i>	

Income from charitable activities is receivable as:

	2018 £	2017 £
Fees	492,232	463,547
Subscriptions	165,681	155,252
Total	657,913	618,799

4. Investment income

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	3,603	3,603	814
<i>Total 2017</i>	<i>814</i>	<i>814</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Direct costs

	Provision of swimming and leisure activities £	Total 2018 £	Total 2017 £
Chemicals and services	99,712	99,712	91,814
Premises costs and equipment maintenance	63,642	63,642	61,530
Staff expenses	4,073	4,073	8,222
Wages and salaries	291,655	291,655	269,054
National insurance	14,567	14,567	12,826
Pension cost	10,939	10,939	11,332
Depreciation	66,476	66,476	71,372
	<u>551,064</u>	<u>551,064</u>	<u>526,150</u>
<i>Total 2017</i>	<u>526,150</u>	<u>526,150</u>	

6. Support costs

	Provision of swimming and leisure activities £	Total 2018 £	Total 2017 £
Bank charges	8,414	8,414	6,613
Advertising	2,898	2,898	4,088
Printing and stationery	1,097	1,097	2,774
Telephone and postage	2,023	2,023	3,377
Governance costs	12,593	12,593	11,165
Entertaining	-	-	2,348
Wages and salaries	31,282	31,282	58,024
National insurance	3,164	3,164	6,058
	<u>61,471</u>	<u>61,471</u>	<u>94,447</u>
<i>Total 2017</i>	<u>94,447</u>	<u>94,447</u>	

During the year ended 31 December 2018, the charitable company incurred the following Governance costs:

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**NOTES TO THE FINANCIAL STATEMENTS
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Governance costs above comprise:

	2018 £	2017 £
Auditors' remuneration (inclusive of VAT)	5,568	6,030
Accountancy fees	7,025	5,135
	<u>12,593</u>	<u>11,165</u>

7. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	-	-	15,345	15,345	12,138
Costs of raising funds	-	-	15,345	15,345	12,138
Provision of swimming and leisure activities	351,607	66,476	194,452	612,535	620,597
	<u>351,607</u>	<u>66,476</u>	<u>209,797</u>	<u>627,880</u>	<u>632,735</u>
<i>Total 2017</i>	<u>357,294</u>	<u>71,372</u>	<u>204,069</u>	<u>632,735</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	66,476	71,356
Auditors' remuneration	5,568	6,030
	<u>72,044</u>	<u>77,386</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

9. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £4,500 (2017 - £4,500), and accounts preparation fees of £1,068 (2017 - £1,530). All amounts are inclusive of VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	322,937	327,078
Social security costs	17,731	18,884
Other pension costs	10,939	11,332
	<u>351,607</u>	<u>357,294</u>

The average number of persons employed by the charitable company during the year was 32 (2017: 30) and the average monthly number of employees during the year expressed as full time equivalents was as follows:

	2018 No.	2017 No.
Teachers and coaches	5	4
General staff	5	4
Management and administration	4	5
	<u>14</u>	<u>13</u>

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

The remuneration of the key management personnel of the charitable company in the year amounted to £43,152 (2017: £74,856)

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 January 2018	1,769,388	392,777	16,183	44,945	2,223,293
Additions	52,252	7,199	-	3,801	63,252
At 31 December 2018	1,821,640	399,976	16,183	48,746	2,286,545
Depreciation					
At 1 January 2018	699,848	355,258	7,342	37,307	1,099,755
Charge for the year	42,640	21,225	1,655	956	66,476
At 31 December 2018	742,488	376,483	8,997	38,263	1,166,231
Net book value					
At 31 December 2018	1,079,152	23,493	7,186	10,483	1,120,314
At 31 December 2017	1,069,540	37,519	8,841	7,638	1,123,538

12. Stocks

	2018 £	2017 £
Raw materials	462	750
Finished goods and goods for resale	3,658	3,864
	4,120	4,614

13. Debtors

	2018 £	2017 £
Trade debtors	6,732	4,546
Other debtors	412	161
Prepayments and accrued income	9,023	7,893
	16,167	12,600

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	5,785
Trade creditors	14,709	31,444
Other taxation and social security	3,832	5,108
Other creditors	16,186	19,318
Accruals	13,547	15,023
	<u>48,274</u>	<u>76,678</u>

15. Statement of funds (incorporating Summary of Funds)

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
Unrestricted funds				
General Funds	1,562,897	684,381	(627,880)	1,619,398

Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
General Funds	1,552,653	642,979	(632,735)	1,562,897
Total of funds	1,552,653	642,979	(632,735)	1,562,897

Summary of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
General funds	1,562,897	684,381	(627,880)	1,619,398

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (incorporating Summary of Funds) (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2017 £</i>
General funds	1,552,653	642,979	(632,735)	1,562,897

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,120,314	1,120,314
Current assets	547,358	547,358
Creditors due within one year	(48,274)	(48,274)
	1,619,398	1,619,398

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	1,123,539	1,123,538
Current assets	516,037	516,037
Creditors due within one year	(76,679)	(76,678)
	1,562,897	1,562,897

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	56,501	10,244
Adjustment for:		
Depreciation charges	66,476	71,356
Decrease in stocks	494	(620)
Increase in debtors	(3,567)	2,245
Decrease in creditors	(22,618)	13,163
Net cash provided by operating activities	97,286	96,388

18. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	388,893	340,212
Notice deposits (less than 3 months)	138,178	158,610
Overdraft facility repayable on demand	-	(5,785)
Total	527,071	493,037

19. Pension commitments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable to the fund and amounted to £10,939 (2017 - £11,332). There were contributions of £1,781 (2017 - £2,060) payable to the fund at the balance sheet date.

20. Related party transactions

A trustee P Rea is a director of a supplier of design and print services to the charitable company. In the year to 31 December 2018 these services amounted to £1,266 (2017 - £2,722). There was a £Nil balance due to the related party at 31 December 2018 (2017 - £Nil).