

ANNUAL **REVIEW**

2022/23





Opening statement from our Chair

Jeremy Simpson

Having taken on this role in November 2019, the past four years have certainly been challenging. The Jubilee Hall Trust has managed to survive an unprecedented pandemic, which provided an existential threat not only to our organisation, but the leisure sector at large. It was therefore pleasing to see the improvement in revenues in 2022/23, demonstrating a resilience of our organisation. We are indebted to the dedication of Jon and the team, who have constantly looked forward with confidence and optimism. This has allowed us to maintain strong ties with our members and the wider community, who value the facilities beyond just being gyms, but as an important source of engagement and wellbeing.

We posted a profit before tax of £159,819 and managed to make a positive earnings before interest, tax, depreciation and amortisation ("EBITDA") of £386,162. With football still recovering from the Covid-19 pandemic, it was pleasing to see the charity making this positive financial contribution. Whilst we expect to see a steady and continued rise in football, we are also looking ahead to additional opportunities for the organisation to meet its charitable objectives. The annual "run for your life" event continues to be highly successful and after year end, we also took on joint management of the annual Aquathon event on Hampstead Heath.

Our Chief Executive's report discusses a number of further income streams secured in partnership with our communities, all of which offers opportunity for the future.

The trustees and management team are using these learnings in working together on the optimal model that maximises the assets of the charity, whilst maintaining our charitable focus.

I would like to welcome Jacqueline Harvey, who joined us as a trustee shortly before year end and has already brought a great deal of value.

I must add my thanks to Jon, our club managers and staff of Jubilee Hall Trust for their hard work and dedication, that make it such a great environment in which to work.

Finally, our members for their continued support and interest in the charity and who make it all worthwhile.

We look forward to a more settled period in which we can focus on what we do best – building healthier communities.

Navigating Challenges,
Building Partnerships,
and Strengthening
the Community





Chief Executive's report

by Jon Giles

Navigating Challenges, Building Partnerships, and Strengthening the Community.

In this review, we will reflect on the challenges we faced, the partnerships we built, and our commitment to serving the community. Despite the difficulties encountered, we are proud of our accomplishments and the positive impact we have made.

Overcoming Challenges: The year 2023 presented us with numerous obstacles, including a low customer return rate, changes in working patterns due to hybrid working, tube and rail strikes, and the energy crisis. These challenges tested our resilience and required our staff to work harder, with longer hours and additional responsibilities. However, through our strong culture and the dedication of our exceptional team, we persevered to get the charity through another tough year.

Financial Viability.

The impact of **rail strikes** were more significant than in previous years and we saw a noticeable drop in customer visits not only on the rail strike days but also in the corresponding week. Previously we would have seen an adjusted peak time on rail strike days with customers still making it into the office but with the ease at which people now work from home we saw significantly less visits across the whole week.

The **energy crisis** posed a greater challenge for us than the recovery from the Covid-19 pandemic. With already diminished cash reserves, our costs skyrocketed by 300% as we emerged from a fixed contract in October 2022.

We were presented with options for 3 and 5-year fixes, but we held a strong conviction that prices would reduce significantly within 12 months and took a shorter term sacrifice on a higher tariff for just 12 months. Our costs rose from £4k/month to £14k/month and so we had to take immediate cost saving action. In addition to making sure lights and air con units were turned off when not in use we asked customers to let us know when they wanted a sauna and with a 30 minute warning saunas were turned on for customer use and turned off immediately after.

Moving into October 2023 we have been able to capitalise on the significant drop in prices having now signed another 1 year contract at 50% of current prices. We remain confident that the market will drop further over the next 12 months and will capitalise on longer term contracts when it does.

We also had a blanket freeze on recruitment and asked managers to cover shifts when needed with our Head of People even dropping into one of the sites for 6 months to save money on recruiting a new manager. Though we did increase hospitality spend on conferences and team building events to ensure the staff did feel valued and appreciated.

Membership growth was slow and whilst we opened after Covid at 60% pre-pandemic numbers we were able to increase this to 80% fairly quickly but there it plateaued hitting 89% towards the end of the year. This made it harder to raise income but this was the fitness sector as a whole, with the central London market competing for a smaller pool of prospects, putting pressure on income and cash flow. New market entrants introduced super-premium club brands, with prices ranging from £150 to as high as £600 per month. Budget market clubs previously charging under £20/month chose to increase their fees to around £30/month or more. This resulted in a reframing in the perception of price, and amidst this shifting landscape, we seized the opportunity and successfully adjusted our prices to over £70/month (5% increase). This increase in yield along with no cancellations and a membership growth enabled us to slowly increase income.

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FOSTERING A SUPPORTIVE CULTURE:



Fostering a Supportive Culture:

I believe that success goes beyond just financial viability. Our focus lies in creating a supportive culture and nurturing our community. Throughout the year, we organised regular staff events, promoted team building among senior management, and ensured safe and happy work environments. By valuing our people, we fostered a shared vision for success and created an atmosphere where everyone could thrive.

I would also like to extend my thanks to our trustees who have provided tremendous support both as a board and as individuals offering support within the scope of their own individual expertise.





ACHIEVING THROUGH BETTER PARTNERSHIPS



Achieving through Better Partnerships:

One of the significant accomplishments of the year was our successful partnership with the commercial arm of The Royal Free Charity (RFC). Initially, negotiations regarding the lease for The Armoury were challenging, with an offer for a full commercial rent that we could not afford. However, we demonstrated the social value generated by reducing the strain on the NHS through physical activity. This led to a partnership agreement that better served both organisations' purposes. We secured a 15-year lease extension and were able to claim a grant from Sport England to invest in The Armoury's improvements.

The legal work for this was completed by Matthew Cox of Gunnercook who agreed to do all the work pro bono. This helped save the Charity a significant amount of money and we are very grateful.

Our unique partnership with the Central YMCA enabled reciprocal access for all our customers and for JHT the option of swimming, further enhancing the value of membership and improving yield for both organisations. Management teams from both organisations worked together to ensure appropriate systems were in place for marketing, membership validation and revenue protection. This collaboration really demonstrated the ability and willingness for 2 'competing' businesses to work together to improve customer experience.

Our partnerships with Coin Street and Parliament have also been outstanding, as both organisations recognise the advantages of collaborating with a small local charity that share common goals and ambitions.

The partnership with Gleneast Construction significantly reduced the costs of the mezzanine works at The Armoury, making the project financially feasible.

We also received support from the Charity Bank, deferring capital repayments on existing loans, providing better control over our cash flow as well as favourable rates on additional borrowing.





EQUIPMENT PARTNERSHIPS





Equipment Partnerships:

We were fortunate to establish unique partnerships with **Speedflex**, **Hydrow**, and **Stages**, which allowed us to enhance our gym offerings with minimal investment.

These partnerships enabled the brands to showcase their products within our facilities, providing additional value to our members.

SPEEDFLEX

hydrow

STAGES
C Y C L I N G



COMMUNITY PROGRAMS



Community Programs:

Despite the challenges faced, our commitment to our charitable aims remained unwavering. In fact, our community programs grew stronger, offering additional services to those in need. We introduced free blind yoga classes, puppy yoga for mental health, and provided additional free memberships for the homeless.

Although we had to cut instructor costs, our staff stepped up and taught a range of community classes as part of their working day, ensuring that our community initiatives continued to make a positive impact and remained embedded within our culture.

We built upon our exercise referral programme both at The Armoury and at Westminster Gym ensuring that links forged with GP's and well-being practitioners promote exercise as the alternative to conventional medicine related health improvements. Our partners see the importance of the Social Value we generate both in community health and in reduction of NHS admissions and this is echoed by our key partner the Royal Free. Whilst we are committed to community health improvements it's not always possible to do the amount of work we want to as programmes are often costly and not funded. We use a % of our membership income to invest in these ourselves and partners like the Wates Foundation who offer support where possible.

We believe the future of community health relies upon partnerships and collaborations and we actively work with Active Westminster and Camden PAC. We are in discussions about a phase 4 cardiac rehab programme and how we can operate cancer rehab classes.

The industry should no longer consider pivoting to the NHS but to demonstrate our expertise, professionalism, and connections across the sector as a whole for the NHS to pivot to us! Our trusted partners CIMSPA are at the forefront of this change and we must continue to demonstrate our professionalism in this sector enabling us to be the starting point of health intervention and not the back up to conventional medicine.





Grant Funding and Donations:

In addition to the Sport England grant, we secured several small grants to support our existing programs. The Wates Foundation contributed £7k, covering three months' salary costs for an exercise referral specialist. Grants from Westminster Council supported our Blind Yoga instructor's fees.

Furthermore, a generous customer donation of £20k at the Colombo Centre enhanced our tennis offering and invested in equipment accessible to disability groups.

Conclusion:

As we reflect on the challenges and achievements of 2023, we take pride in the resilience and dedication of our staff, the support of our partners, and the positive impact we have made on our community. Moving forward, we remain committed to fostering a supportive culture, building strategic partnerships, and continuing to serve the community with passion and dedication.

Our new financial year has already seen significant improvements in membership sales and our internal processes on retention has already improved our attrition rates.

Together, we look forward to the opportunities that lie ahead, confident in our ability to overcome challenges and make a lasting difference in the lives of those we serve.





Jubilee Hall Trust Ltd.

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