

REGISTERED COMPANY NUMBER: 04431230 (England and Wales)
REGISTERED CHARITY NUMBER: 1094280



Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 March 2022
for
South Lakeland Hydrotherapy Limited

South Lakeland Hydrotherapy Limited

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for the Year Ended 31 March 2022



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South Lakeland Hydrotherapy Limited

Report of the Trustees for the Year Ended 31 March 2022

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04431230 (England and Wales)

Registered Charity number
1094280

Registered office
Unit 6
Clawthorpe Hall Business Centre
Burton in Kendal
Carnforth
Cumbria
LA6 1NU

Trustees

C Ranshaw (Chairman)
L Almond
A Cradock
C Engelbrecht
D Noble (resigned 28 October 2021)
R Power
N Scott
D Stevens

All the directors of the company are also trustees of the Charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Act.

Independent examiner

Timothy Clarke (FCCA)
The Examiner's relevant professional body is ICAEW

Bankers:

Barclays	Cumberland Building Society	Charity Bank Limited
9 Highgate	16 Finkle Street	Fosse House
Kendal	Kendal	182 High Street
Cumbria	Cumbria	Tonbridge
LA9 4DF	LA9 4AB	Kent, TN9 1BE

REFERENCE AND ADMINISTRATIVE DETAILS

Objectives and Activities of the Charity

The objectives of the Charity, as laid down in the Memorandum and Articles of Association, are to advance, promote and support the provision of hydrotherapy facilities for the benefit of inhabitants of and visitors to the area of South Lakeland and surrounding districts with medical and/or special needs (including the disabled and/or elderly) and to do all or any of the following:

- To organise fund-raising and obtain donations and other financial support to assist those engaged in the provision of the facilities,
- To provide grants and other forms of financial assistance for the equipping and operation of the facilities,
- To provide equipment and manpower and other services which may assist those engaged in the provision of the facilities,
- To act as a funding partner with and/or become involved in the management operation of those engaged in the provision of the facilities,
- To provide advice and assistance to those engaged in the ownership and/or operation of the facilities,
- To provide advice and assistance to those (and to the families of those) having such medical and/or special conditions and who may benefit from the use of the facilities; and
- To own and/or operate and/or manage all or any aspects of the facilities including the ownership and/or operation of any land or buildings or equipment or undertaking involved in doing so.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission when reviewing and planning the Charity's aims and objectives.

Achievements and Performance of the Charity

The principal activity of the Charity is the raising of funds to support the long-term provision of hydrotherapy services for those who need and benefit from the therapy, especially those with disability or chronic conditions, in South Cumbria and North Lancashire.

These hydrotherapy services are currently provided by Cumbria County Council ("the Council") in partnership with the Charity through its facilities at Sandgate Hydrotherapy Pool in Kendal. Cumbria County Council owns the Pool, and operates and manages all aspects of the services. The Pool is funded through a combination of income streams:

- Fees paid by Pool users and various user groups, on a pay-as-you-go basis,
- Direct costs paid by Cumbria County Council,
- Indirect costs provided by Cumbria County Council as part of its overall facilities and staff management (e.g. finance, HR, Health & Safety, Buildings Maintenance, Insurance),
- Grants from the Charity to cover any budget shortfalls; and
- Grants from the Charity to cover major capital expenditure and one-off projects.

The Trustees of the Charity meet with the relevant managers from Cumbria County Council and the Pool Manager on a regular basis. In 2018, the following objective was agreed by the Council and the Charity to secure the long-term future of Sandgate Pool for hydrotherapy services:

- Cumbria County Council will continue to own and manage the Pool, employing all staff and providing all indirect support services; and
- Cumbria County Council will work with the Charity to reduce the Council's contribution towards the direct costs of the Pool (e.g. staffing costs and Pool running costs).

Report of the Trustees
for the Year Ended 31 March 2022

To achieve this, the Charity and the Council are continuing to work in partnership to deliver the following funding strategy for the Pool:

- Continue to increase income from Pool use

Key output measures of the success of the Pool each year are attendance figures and associated income from fees. However, during 2021/22, the Pool again remained closed for a substantial part of the year, in compliance with the government's COVID-19 restrictions. As a result, the number of individual visits and associated fee income were significantly lower than in pre-pandemic years. This income shortfall was covered entirely through the use of additional funding from the Council.

- Reduce the direct costs of the Pool

The Charity and the Council continue to look at ways to make capital investments to reduce the annual running costs. In recent years, these have principally centred on the cost of heating the Pool, as this is the major cost outside of staffing.

In 2020/21, the Charity secured grant funding of £10,500 to enable the installation of an equipment hoist for the pool. Unfortunately, the installation of the hoist has been delayed due to the impact of the COVID-19 pandemic, but it is hoped that the work will be completed in the next 12 months.

The Charity provided funding of £3,955 during the year from its General Reserves to pay for the cost of essential repairs to the Disinfection Dosing Unit at the pool.

- Continue to raise donations and grant funding to cover any financial shortfalls

The Trustees have continued to secure grants from other key stakeholders (Morecambe Bay Clinical Commissioning Group, Kendal Town Council and South Lakeland District Council) towards the running costs and capital costs of Sandgate Pool.

Financial Review

Details of the financial results for the year are set out in the accounts and the accompanying notes. The net movement of funds was a £9,349 increase (2020/21 £20,534 increase).

The total reserves at the year-end stood at £95,772 (2020/21 £86,423).

Voluntary Income for the Charity continued to be severely impacted by the COVID-19 pandemic. Fundraising events only recommenced at the end of the financial year and the closure of the Pool for a large part of the year meant that donations from pool users were also significantly reduced.

Despite this, the Charity continued to receive donations from pool users and other local individuals, showing the strong commitment that the users and local community feel towards Sandgate Pool.

The Trustees continue to act on a purely voluntary basis. As such, the governance and administrative costs of running the Charity remain minimal, with most of the voluntary income being spent on the core charitable activities of the Charity.

Reserves policy and going concern

The Board of Trustees and Directors has set a policy that requires reserves be maintained at a level which ensures that the Charity's core activity could continue during a period of unforeseen difficulty. The Charity continues to ensure that reserves this year are maintained at an adequate level and hence the Charity has no going concern issues.

Share Capital

The company is limited by guarantee and therefore has no share capital.

Outlook for 2022/23 and beyond

With the removal of all government restrictions to contain the COVID-19 pandemic and the gradual return to normal ways of living, Sandgate Pool is fully open. However, the age and health profile of its core users mean that it will take some time before use of the Pool returns to Pre-COVID-19 levels.

Similarly, it will take some time for the Friends of Sandgate Pool to re-build the fundraising programme of events to restore donations income to Pre-COVID-19 levels.

Despite this, thanks to fundraising efforts in previous years, the Charity has strong financial reserves. With the completion of the Roof Project in 2021, no further significant improvement works are currently planned at the Pool. As such, the Trustees remain confident that the activities of the Charity, together with the support of the various stakeholders, will mean that the long-term provision of hydrotherapy services at Sandgate Pool is secure.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NATURE OF THE GOVERNING DOCUMENT AND CONSTITUTION OF THE CHARITY

Governing document

South Lakeland Hydrotherapy Limited is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The constitution of the charitable company is laid down in the Memorandum and Articles of Association. Every member of the Charity undertakes to contribute such amount as may be required (not exceeding £10) to the Charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

Recruitment and appointment of the Trustees

The method of appointment or election of the Trustees is as laid down in the Memorandum and Articles of Association. The Trustees approach someone who they think may be interested and have the qualities and time to commit to the organisation. Any appointment is approved by a meeting of the Board of Trustees and Directors.

Trustee induction and training

All new Trustees and Directors are given a role and description outlining what the Charity expects from a member. They also receive copies of the Memorandum and Articles of Association and in-depth information about the hydrotherapy services provided by the Pool.

THE ORGANISATIONAL STRUCTURE AND HOW DECISIONS ARE MADE

The Charity shall each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year. These meetings allow for a review of the income and expenditure and discussion and debate to take place and any decisions are shown in the written minutes.

The Articles of Association state that at the AGM one third of the Trustees who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but, if there is only one Trustee who is subject to retirement by rotation, he shall retire. All retiring Trustees if they agree may be re-appointed by the AGM.

Report of the Trustees
for the Year Ended 31 March 2022

A Steering Group of representatives of the Charity, Cumbria County Council representatives and the Sandgate Pool Manager meets regularly during the year. The information of the Steering Group enables the Trustees to use their expertise to support good management of the Pool with the intention of making the facility self-financing in the long-term.

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

The Charities Act and the Companies Act require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity as at the end of the financial year and of the surplus or deficit of the Charity. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business; and
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of and which are sufficient to show and explain the Charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. 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.

The Trustees are also responsible for the contents of the Trustees' Report, and the responsibility of the Independent Examiner in relation to the Trustees' Report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

Approved by order of the Board of Trustees on 24th November 2022 and signed on its behalf by:



Colin Ranshaw (Chairman) – Trustee

Independent Examiner's Report to the Trustees of
South Lakeland Hydrotherapy Limited

I report on the accounts for the year ended 31 March 2022 set out on pages 7 to 12.

Respective responsibilities of Trustees and Examiner

The charity's Trustees (who are also the Directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Timothy Clarke (FCCA)
The Examiner's relevant professional body is ICAEW.

Date: 25/10/22

South Lakeland Hydrotherapy Limited

Statement of Financial Activities for the Year Ended 31 March 2022

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	31.03.22 Total Funds £	31.03.21 Total Funds £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	8,474	-	-	8,474	8,947
Charitable activities	3	5,810	-	-	5,810	2,396
Investment income	4	480	-	-	480	369
Other	5	-	-	20,500	20,500	65,316
Total		14,764	-	20,500	35,264	77,028
EXPENDITURE ON:						
Fundraising Costs	6	1,533	-	-	1,533	1,415
Charitable activities	6	4,022	-	20,000	24,022	54,629
Governance Costs	6	360	-	-	360	450
Total		5,915	-	20,000	29,915	56,494
NET INCOME/(EXPENDITURE)		8,849	-	500	9,349	20,534
RECONCILIATION OF FUNDS						
Funds Transfer		-	-	-	-	-
Total Funds brought forward		13,736	-	72,687	86,423	65,889
TOTAL FUNDS CARRIED FORWARD		22,585	-	73,187	95,772	86,423

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

All activities derive from continuing operations.

There have been no recognised surpluses or deficits, other than the results for the financial year.

The notes on pages 9 to 12 form an integral part of these accounts.

South Lakeland Hydrotherapy Limited

Balance Sheet
At 31 March 2022

	Notes	31.03.22 £	31.03.21 £
CURRENT ASSETS			
Cash at bank and in hand		<u>96,196</u>	<u>86,850</u>
		96,196	86,850
CREDITORS			
Amounts falling due within one year	9	<u>(424)</u>	<u>(427)</u>
NET CURRENT ASSETS		<u>95,772</u>	<u>86,423</u>
NET ASSETS		<u>95,772</u>	<u>86,423</u>
FUNDS	11		
Unrestricted funds		22,585	13,736
Restricted funds		<u>73,187</u>	<u>72,687</u>
TOTAL FUNDS		<u>95,772</u>	<u>86,423</u>

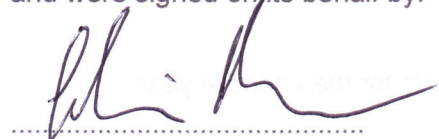
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 24th November 2022 and were signed on its behalf by:



Colin Ranshaw (Chairman) - Trustee

1. ACCOUNTING POLICIES

Accounting convention

The financial statements of the charitable company, 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention and in accordance with the financial reporting standard for smaller entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Advantage has been taken of Section 396(5) of the Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the Charity's operation and to comply with the requirements of the SORP.

The financial statements are prepared, on a going concern basis, under the historical cost convention, as modified by the revaluation of freehold land and buildings and fixed asset investments.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

Income from membership subscriptions received in the nature of a gift is recognised in Donations and legacies.

Grants received are credited to the Statement of Financial Activities in the year in which they are received.

Bank Interest received is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

There has been no offsetting of assets and liabilities or income and expenses, unless required or permitted by FRS 102 SORP or FRS 102.

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

1. ACCOUNTING POLICIES - continued

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Fundraising costs include all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

Taxation

The charity has charitable status and is exempt from corporation tax on income it has received. The Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

Winding up or dissolution of the Charity

If upon winding up or dissolution of the Charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the Charity chosen by the members of the Charity at or before the time of dissolution. This is defined in the Memorandum and Articles of Association.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used in accordance with the requirements set out by the donor/ grant provider.

2. DONATIONS AND LEGACIES

	31.03.22	31.03.21
	£	£
Individual & Corporate donations	7,213	7,551
Friends' membership donations	1,261	1,396
	<u>8,474</u>	<u>8,947</u>

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

3. CHARITABLE ACTIVITIES

	31.03.22	31.03.21
	£	£
Fundraising	5,810	2,396

4. INVESTMENT INCOME

	31.03.22	31.03.21
	£	£
Bank Interest	480	369

5. OTHER INCOME

	31.03.22	31.03.21
	£	£
Grants Received	20,500	65,316

6. ANALYSIS OF EXPENDITURE

	31.03.22	31.03.21
	£	£
Fundraising Expenses		
Prize Draws and Quiz Prizes	1,180	1,200
On-line fundraising fees	149	215
Fundraising events costs	204	-
	1,533	1,415

Charitable activities

Physiotherapist fees & Pool staff training costs	-	-
Grants Towards Pool Operating & Capital Costs	23,955	54,629
Sundry expenses	67	-
	24,022	54,629

Governance Costs

Independent Examiner's Fees & other governance costs	360	450
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7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.03.22	31.03.21
	£	£
Independent Examiner's fees	360	360

8. TRUSTEES' REMUNERATION AND BENEFITS

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.22	31.03.21
	£	£
Creditors & Accruals	424	427

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds General £	Designated £	Restricted Funds £	31.03.22 Total Funds £	31.03.21 Total Funds £
Current Assets					
Cash at Bank	23,009	-	73,187	96,196	86,850
Current Liabilities					
Accruals	(424)	-	-	(424)	(427)
Total	<u>22,585</u>	<u>-</u>	<u>73,187</u>	<u>95,772</u>	<u>86,423</u>

11. MOVEMENT IN FUNDS

	At 1.4.21 £	Transfers £	Income £	Expense £	At 31.03.22 £
UNRESTRICTED FUNDS					
General Funds	13,736	(3,955)	14,764	(1,960)	22,585
Pool Running Costs	-	3,955	-	(3,955)	-
Total Unrestricted Funds	<u>13,736</u>	<u>-</u>	<u>14,764</u>	<u>(5,915)</u>	<u>22,585</u>
	At 1.4.21 £	Transfers £	Income £	Expense £	At 31.03.22 £
RESTRICTED FUNDS					
Pool Running Costs	62,187	-	20,500	(20,000)	62,687
Pool Hoist Project	10,500	-	-	-	10,500
Total Restricted Funds	<u>72,687</u>	<u>-</u>	<u>20,500</u>	<u>(20,000)</u>	<u>73,187</u>