

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

UNAUDITED DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Registered number: 06553636

Charity number: 1123849



LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charitable company, its Directors and advisers	2
Directors' report	3-6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10-16

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

Reference and Administrative Details of the Charitable Company, its Directors and Advisers for the Year Ended 30 September 2022

Directors

S.A. St John, Chair
A.J. Davies
D. Scott
J.C.N. Kidd, Treasurer (appointed 13 January 2022)
B.A. Clark (appointed 5 April 2022)
J. Eastham (resigned 5 April 2022)
S.J. Henderson (resigned 12 September 2022)
K. Bouch (resigned 21 November 2021)

Company Registered Number

06553636

Charity Registered Number

1123849

Registered Office

Lazonby School, Lazonby, Penrith, CA10 1BL

Independent Examining Accountants

Robinson Udale, The Old Bank, 41 King Street, Penrith, CA11 7AY

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

Directors' Report for the Year Ended 30 September 2022

The Directors present their Annual Report together with the financial statements for the year ended 30 September 2022. The Directors confirm that the Annual Report and the 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), *applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019)*.

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 Directors' Report) Regulations 2013 is not required.

Objectives and Activities

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

Principal Activities and Public Benefit

The charitable company's principal activity is the operation of an open air heated swimming pool in the village of Lazonby in the Eden Valley, Cumbria. The Pool is open to the public from late April until early September.

In addition, it manages a children's playground, and operates a campsite (revenues from which assist in the operation of the Pool), both on land adjoining the swimming pool.

The principal objective of the Association is the promotion of instruction in, and the opportunity to participate regularly in, swimming, and thus to provide outdoor, healthy social activities for the residents of Lazonby and its surrounding area, and for visitors to the area.

The Directors of Lazonby and District Association Swimming Pool believe they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Review of the Year

With the lifting of the Covid-19 restrictions, 2022 was the first year that the Pool was able to operate as normal, i.e. with daily admissions and the sales of adult and family season tickets covering the whole opening period, and the kiosk open for business, since 2019, having been completely closed in 2020 and during 2021, available only via adult-only swimming sessions, pre-booked sessions and hire (by schools, and for instructor-led sessions for Aquafit and Swim Coaching).

The season commenced with the 'Big Splash' on Saturday 30 April, and such was the enthusiasm generated that numbers meant that there had to be two such splashes. A limit of 60 swimmers at any one time (plus spectators) was introduced to manage numbers during public swimming sessions.

That was a great start to the season, and business continued to be steady throughout until the closing down party on Saturday 8 September (attended by over 130 people), with some particularly popular weeks as temperatures soared in July and the first half of August. It was wonderful to see the Pool so popular and well used again, both with adults and children from the local area, those staying for their holidays at the campsite, and indeed, with those from further afield who made the journey to Lazonby especially to visit the Pool. Around 130 adults and 180 children (under 18) held season tickets, including via family season tickets, and there were over 2,670 day admissions during the season.

There were swimming lessons for the children of Lazonby, Kirkoswald, Plumpton and Armathwaite Primary Schools, and Leavers parties for these primary schools plus one other primary, and one secondary school.

We saw the return of our water sports activities, i.e. water polo for adults and children, Skwim and Rookie Lifeguard courses; for the first time, three local children achieved the Gold Award. Aquafit sessions were held which were well attended, with some sessions being funded by the Primary Care Network for GP health needs referrals. The water polo sessions featured in a report on the local ITV news programme during August which showcased the Pool beautifully.

In June we had the official opening of the new Eden Room in memory of John Hume (a former Head of Lazonby School who was a key driving force in the original construction of the Pool), which is a Wet Room for the disabled, constructed in 2020 with grant assistance from the People's Health Trust and Sport England, which, although it had been open for use in 2021, was enhanced during the year by the purchase of a hoist. This is an excellent facility with sufficient space for access by motorised chairs.

The implementation of the 'Bookwhen' system, by which people hire the Pool and book courses via an app, was very successful and simplified administration considerably. Team App, which was implemented in 2021, continued to be used for booking adult only swims.

The Pool Campsite continued to be extremely popular, being fully booked at many times through the season, while the community play park which the Pool maintains on adjacent land (with the financial assistance of Lazonby Parish Council) continued to be much loved by local children.

The Pool's only paid employees, are its lifeguards and cleaners; they all did sterling work this year and are very much appreciated. In addition though, the many volunteers who freely give their time to the operation of the Pool are vital, in manning the kiosk, ensuring that it is well stocked, running the campsite, organising repairs and maintenance of the Pool and its plant (not least the very early morning testing of the water quality that is required before the Pool opens at 7.00am to adult swimmers). We are so grateful to everyone that has helped through the year, because without them, the Pool simply could not open and operate so successfully.

The Directors regard the financial outcome for the year as acceptable in the current operating circumstances, with adequate cash balances remaining in place throughout the year and a modest surplus achieved, before depreciation. However, as discussed in the section below, they are mindful of the challenge of dramatically increased price inflation facing the Pool looking forward, particularly in relation to the cost of electricity, which more than doubled in April 2022 and is expected to increase again significantly next year.

Given this, a key focus for the future for Directors, is planning for the close monitoring of ongoing costs and the enhancement of revenue where possible, with strategic consideration of when significant items of capital expenditure might become necessary.

Principal Risks and Uncertainties

The major risks to which the pool is exposed, as identified by the directors, have been subjected to detailed consideration and systems have been established to mitigate those risks.

The main risks of the charitable company are:-

- **Governance**

The charitable company relies on its directors to control and guide it. The availability of suitable directors is at times a concern; there are five directors at present, which is a sufficient number to provide governance, but the directors welcome further suitable directors as and when available.

- **Operational**

The charitable company follows the health & safety procedures as published in its policy documents. It follows their guidelines on risks assessments for all activities. All operations are subject to annual examination by Environmental Health Officers of the Local Authority (Eden District Council). Normal Operating Plans, Emergency Action Plans and Risk Assessments are reviewed annually. The charitable company operates a rigorous safeguarding policy for children and vulnerable adults.

- **Financial**

The Directors are very conscious that the current economic climate is challenging for the operation of the Pool, as a result of rising inflation generally and most notably, steeply rising electricity costs on the one hand, and curtailed discretionary spending for the public generally on the other. In addition, it is believed that public sector finances are likely to make grants fewer and less accessible. Financial information is provided to directors on a monthly basis during the operating season and a budget is prepared and considered by the Board.

As a charity, the company relies upon continued support from local volunteers and businesses, as well as local councils.

Going Concern

After making appropriate enquiries, the Directors 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.

Reserves Policy

It is the policy of the charitable company to maintain unrestricted funds at a level that provides sufficient funding for the start of the next season, to cover out-of season maintenance costs and annual start-up costs. The ultimate aim is to build up reserves over the coming season to finance capital improvements to the Pool, as they become necessary.

Structure, Governance and Management

Constitution

Lazonby Pool was built in 1964 by local villagers and registered as a charity; on 3 April 2008, the company was incorporated as a company limited by guarantee, having no share capital, and the business and assets of the Association were subsequently transferred into the company.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is covered under its Articles of Association.

Method of Appointment or Election of Directors

The management of the charitable company is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

Policies Adopted for the Induction and Training of Directors

New directors are made aware of their obligations and duties as directors, and share the essential duties of operating the Pool between them. Directors are encouraged to take up any training that may be available that will enable them to perform their duties in a better manner.

Organisational Structure and Decision Making

Lazonby and District Swimming Pool Association Limited is an independent charitable company. The Directors are responsible for the overall management and control of the charitable company and during the operating season are in frequent contact to address any issues that arise, and receive monthly financial reports. Formal meetings are held as required and the Directors maintain scrutiny of the *major strategic, business and operational risks which the charitable company faces.*

Wider Network

The Pool maintains contacts with other local outdoor swimming pools, as together we all face similar challenges.

Directors' Indemnities

The charitable company holds a standard insurance policy which includes a directors' indemnity *against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charitable company.*

Members' Liability

The members of the charitable company guarantee to contribute an amount not exceeding £1 to its assets in the event of winding up.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in operation.

The Directors 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.

This report was approved by the Directors 12 January 2023 and signed on their behalf by:



S.A. St John

Chair

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

Independent Examiner's Report to the Directors of Lazonby and District Swimming Pool Association Limited ('the Charitable Company') for the Year Ended 30 September 2022

I report to the charitable company Directors on my examination of the accounts of the charitable company for the year ended 30 September 2022.

Responsibilities and Basis of Report

As the Directors of the Charitable Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charitable Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I confirm that I am qualified to undertake the independent examination. I am a member of the Institute of Chartered Accountants of Scotland (ICAS), which is one of the listed bodies in section 145 of the 2011 Act.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charitable Company's Directors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charitable Company's Directors those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charitable Company and its Directors as a body, for my work or for this report.



Daniel Roper
Robinson Udale, Chartered Accountants, Penrith
Date: 16 January 2023

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

Statement of Financial Activities incorporating the Income and Expenditure Account For the Year Ended 30 September 2022

	Note	Total funds 2022 £	Total funds 2021 Restated £
Income from:			
Operations	2	75,715	42,395
Donations and Grants	3	4,052	26,044
Interest	4	153	142
Total Income		79,920	68,581
Expenditure on:			
Operational costs	5	77,622	40,243
Depreciation and loss on disposal of assets	5	14,134	15,688
		91,756	55,931
Net (expenditure)/income and net movement in funds		(11,836)	12,650
Reconciliation of funds:			
Total funds brought forward		125,731	113,081
Net (expenditure)/income in the year		(11,836)	12,650
Total funds carried forward		113,895	125,731

There were no other recognised gains or losses in the year, or in the prior year.

The notes on pages 10 to 16 form part of these financial statements

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee – registration number 06553636)

Balance Sheet as at 30 September 2022

		2022		2021
	Note	£	£	Restated £
Fixed Assets	8	74,739		80,217
Current Assets				
Debtors	9	1,535		90
Cash at bank and in hand		<u>43,821</u>	<u>49,201</u>	
		45,356	49,291	
Creditors				
Amounts falling due within one year	10	6,200	3,777	
Net Current Assets		39,156		45,514
Net Assets		113,895		125,731
Charitable Company Funds				
Unrestricted funds		112,408		119,545
Restricted fund	11	1,487		6,186
Total Funds		113,895		125,731


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

The Directors 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 in accordance with section 476 of the Act.

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

The financial statements were approved and authorised for issue by the Directors on 12 January 2023 and signed on their behalf by:


S.A. St John, Chair


J.C.N. Kidd, Treasurer

The notes on pages 10 to 16 form part of these financial statements

LAZONBY AND DISTRICT SWIMMING POOL ASSOCIATION LIMITED

(A charitable company limited by guarantee)

Notes to the Financial Statements for the Year Ended 30 September 2022

1. Accounting Policies

1.1 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 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lazonby and District Swimming Pool Association Limited 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.

1.2 Company status

The charity 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.

1.3 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.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant note to the accounts.

In accordance with the Charities SORP (FRS 102), the general time of the volunteers is not recognised; please refer to the Directors' Report for more information about their contribution.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £200 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating the Income and Expenditure Account. *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:

Improvements to Property	-	5% and 10% on cost
Playground works	-	10% on cost
Pool plant and equipment	-	25% on reducing balance

1.6 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.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and highly liquid investments.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

1.13 Pensions

As no employee earns £10,000 per annum and therefore there is no requirement to enrol an employee into a pension scheme, the charitable company does not operate a pension scheme.

1.14 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

1.15 Restatement of accounts

The accounts for the year ended 30 September 2021 have been restated to

- provide an improved analysis of income and expenditure, and to recognise the gross amount of campsite income received and the associated commission and banking costs which had previously been disclosed on a net basis (without changing the net outcome for the year), and
- recognise (in note 11 and on the balance sheet) the restricted fund.

1.16 Going Concern

On 11 March 2020 the World Health Organisation declared Covid-19, a strain of coronavirus, a world pandemic. Subsequently the UK Government introduced a series of restrictions on social interactions and non-essential trade, and although the extent of these varied between then and their withdrawal on 24 March 2022, they had a significant effect upon the operations and finances of the charitable company.

This resulted in reduced income, most notably as the Pool was not available for daily admissions and season tickets, and the kiosk could not open, and reduced costs. However, additional grant income was secured from several sources to replace the lost trade and fundraising revenue.

Since 24 March 2022 however, the charitable company has largely been able to operate financially in the same manner as it did prior to the pandemic.

The charitable company has net current assets of £39,156 and net assets of £113,895 at the year end, following a deficit in the year of £11,836. The charitable company does not rely on creditors for financial support and has maintained satisfactory cash reserves. The Directors have prepared cash flow forecasts to show that these cash reserves will be sufficient to allow the charitable company to continue its service provision for a period of at least 12 months from signing the financial statements. As such, they believe the going concern basis to be appropriate for the year to 30 September 2022.

2. Income from Operations

	2022	2021
	£	Restated £
Admissions - day tickets	13,388	-
Admissions - season tickets	14,056	6,162
Hire of Pool	9,170	16,184
Kiosk sales	9,464	209
Water sports sessions	1,167	-
Other pool events and courses	1,107	-
Campsite bookings	24,969	19,816
Other income	2,394	24
Total income from operations	<u>75,715</u>	<u>42,395</u>

3. Donations and Grants

	2022	2021
	£	£
Donations	1,495	2,799
Grants	2,557	23,245
Total	<u>4,052</u>	<u>26,044</u>

4. Investment Income

All investment income is received by unrestricted funds

	2022	2021
	£	£
Bank interest received	<u>153</u>	<u>142</u>

5. Expenditure

	2022	2021
		Restated
	£	£
Wages of lifeguards and cleaners	19,012	10,911
Electricity	13,733	3,991
General maintenance and repairs	12,582	9,891
Insurance	5,985	5,767
Kiosk food and drink purchases for sale	5,042	349
Kiosk equipment and other merchandise	924	-
Water supply	3,596	2,518
Pool costs - chemicals	4,636	2,569
Pool costs - sundry equipment	3,176	-
Computer expenses	1,135	1,099
Staff training and DBS checks	1,763	120
Telephone/internet	487	676
Safety inspections	487	328
Campsite website booking commission and associated banking charges	2,059	1,529
Other banking charges	455	-
Postage and stationery	662	495
Instructors' fees for courses	900	-
Accountancy	660	-
Other costs	328	-
Depreciation and loss on disposal of fixed assets	14,134	15,688
Total	91,756	55,931

As a result of no employee receiving remuneration of £10,000 per annum, no employees were enrolled in a pension scheme and therefore no pension costs were incurred in either year.

6. Independent Examiner's Remuneration

The Independent Examiner's Remuneration amounts to a fee of £550 (2021 - nil).

7. Staff and Key Management Personnel

	2022	2021
Average number of persons employed	5	5

The key management personnel are the Directors.
No Directors received any remuneration in either the current or previous year.

8. Tangible Fixed Assets

	Improvements to Property £	Playground Works £	Pool plant and equipment £	Total £
Cost				
At 1 October 2021	96,472	14,912	65,361	176,745
Additions	-	-	8,656	8,656
Disposals	-	-	(390)	(390)
At 30 September 2022	96,472	14,912	73,627	185,011
Depreciation				
At 1 October 2021	40,807	4,008	51,713	96,528
Charge for year	6,945	1,491	5,479	13,915
Disposals	-	-	(171)	(171)
At 30 September 2022	47,752	5,499	57,021	110,272
Net book value				
At 30 September 2022	48,720	9,413	16,606	74,739
At 30 September 2021	55,665	10,904	13,648	80,217

9. Debtors

	2022 £	2021 £
Trade debtors	1,310	90
Other debtors	225	-
	<u>1,535</u>	<u>90</u>

10. Creditors - amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,806	3,022
Other taxation and social security	-	671
Other creditors	-	84
Accruals	2,394	-
	<u>6,200</u>	<u>3,777</u>

11. Restricted Fund

The Association has a restricted fund in respect of a grant provided by the People's Health Trust, towards the construction of, and provision of equipment for, a wet room for the disabled. Movements on this fund are shown below.

	2022	2021
	£	Restated £
Balance at 1 October	6,186	-
Grant received	-	13,321
Expenditure	(4,699)	(7,135)
Balance at 30 September	<u>1,487</u>	<u>6,186</u>