

SHERE SWIMMING POOL CLUB – CIO (SSPC)

TRUSTEES' ANNUAL REPORT for the period to 30 September 2021

OBJECTIVES and ACTIVITIES

Introduction

SSPC operates the pool on behalf of **Shere Parish Council (SPC)**, under a sub-lease, with the Lord of the Manor still owning the freehold land, SPC owning the pool and buildings, and SSPC owning the plant room systems and other equipment which it has installed. SSPC is nevertheless responsible for maintaining the pool and buildings infrastructure as well as the plant room systems, under arrangements agreed with SPC. It became a Charitable Incorporated Organisation (CIO) in 2019.

This Trustees Annual Report (TAR) covers the activities for the year to 30 September 2021, operating as a CIO for the second full year. It has been compiled in accordance with the Charities Statement of Recommended Practice (SORP) – FRS 102.

Despite some ongoing COVID 19 restrictions, and following completion of the substantial upgrade to the pool and plant room systems last year, it has been possible to open the pool one month earlier than usual this year, at the beginning of April.

Purpose

The charitable purpose of the Shere Swimming Pool Club, as set out in the new CIO constitution is: *The promotion of community participation in healthy recreation for the benefit of the inhabitants of Shere Parish and the surrounding neighbourhood by the provision and maintenance of swimming facilities.*

A broadening of this purpose has been agreed by the Charities Commission this year, with the addition of the words '*as well as facilitating the provision of swimming activities and support services*'. This is simply to enable a range of activities, such as lessons and events, to be facilitated, to the extent that these are agreed by the trustees and members in the future.

Main Activities

The sole activity of the charity is to operate an open-air swimming pool in Shere, for the benefit of everyone in the local community interested in swimming there, all of whom are entitled to become members of the swimming pool club.

This outdoor pool is maintained by volunteers. Members comprise individuals and families, with a total number of memberships of 450, with approximately one third being individuals and two thirds being families, amounting to around 1,350 people being members each year, counting also all those within the families who are permitted to swim. Members are allowed to invite guests, who need to be accompanied by the member in use of the pool.

Public Benefit

The trustees confirm that they have had regard to the guidance issued by the Charity Commission on public benefit and that this has been fully complied with in running the CIO, throughout the year.

Everyone in Shere Parish and immediately surrounding villages who wishes to join is not deterred from doing so due to financial constraints. In financial hardship cases fees are waived.

Members receive substantial benefits from use of the pool, including:

- The opportunity to increase physical fitness, and help manage specific health conditions
- The outdoor setting helps benefit mental well-being and it plays an important part in creating community cohesion and reducing isolation
- The Pool provides precious family time and increases the childrens' swimming confidence.

The club allows other groups to visit and benefit from use of the pool, such as this year a scout troop camping nearby.

Contribution made by volunteers

Volunteers provide substantial part-time support for the pool, in the absence of paid employees to operate the pool. They are involved in all aspects of the successful running of the Club, ranging from the management roles of the trustees, through the pool operations rota team, to the pool enclosure rota team. Their contribution to the success of the running of the pool safely, and its financial viability are key.

ACHIEVEMENTS and PERFORMANCE

Requirements

Plans had been made and confirmed in 2019 for a substantial upgrade to the pool. This comprised:

Stage 1: Re-rendering of the pool structure, plus a substantial upgrade of the plant room systems (filters, pumps, pipework, skimmers, chemical water treatment), to increase the rate of water flow and thereby help enhance water quality and efficiency of pool maintenance.

Stage 2: A rebuild of the changing rooms and improvement of access for physically disabled swimmers.

Achievements against objectives set

Stage 1 work was completed successfully in July last year. Following partial lifting of the COVID restrictions the pool was then re-opened on 1 August 2020. This provided a significantly enhanced swimming experience for members and guests, with the new booking system and lanes enabling safe swimming to be pursued, with reduced numbers using the pool at any one time, during remaining COVID restrictions.

Stage 2 Planning for the Rebuild of the Changing Rooms

Work to plan for the rebuilding of the changing rooms has continued during 2021. The work planned includes raising up the new changing cubicles to pool level, incorporating a dedicated changing room for disabled swimmers, ramps to improve disabled access to the pool, new toilet facilities, a better signing-in office, as well as secure chemical and other storage facilities.

Minor changes to these plans received re-confirmation of planning permission from Guildford Borough Council early in the year. An invitation to tender was then issued to a range of local building contractors, bids evaluated and a preferred builder selected, based on value for money considerations.

A range of surveys has also been conducted, including structural, topographical and tree surveys, as a basis for refining the specification of works. This has resulted in a modification to the foundation design, to ensure protection of nearby trees, as well as the introduction of a specialist contractor, **Geobond**, to undertake the work on the foundations. They will work alongside the selected main builder, **Rob Arrow Builders** to undertake the project.

The overall cost budget for the project has now been agreed as **£95,000**, including the cost of surveys and Building Control review, as well as a small contingency. Contracts have now been signed and work is scheduled to start in November 2021. Funds already obtained, promised and accessible are considered sufficient to cover these costs in full, as explained below.

Possible addition of an air source heat pump

Investigation has continued to consider whether there might be justifiable benefits to supplementing the existing gas boilers, for heating the pool, with the introduction of an air source heat pump (ASHP). This would work in conjunction with the existing gas boilers for the moment, as these have been assessed as still having several years of useful life left.

However, the ASHP would enable the use of gas to be reduced, saving costs and significantly reducing carbon emissions, to provide environmental benefits. The ASHP would be used to more cheaply maintain the heated pool temperature throughout the swimming season. It might also provide a better way to now keep the pool heated to the minimum temperature required throughout the winter months in future years, to ensure that the new tiles are protected from any danger from freezing cold weather.

This assessment work is now nearing completion. Quotes are being obtained from suppliers, to meet a more detailed specification, including installation, and it is hoped that the business case and budget can now be finalised soon. The extra funding requirement can then be confirmed. Initial indications are that the cost will be in the range **£20,000-£30,000**. Every effort will be made to minimise this through competitive tendering. It is then hoped that sufficient extra funds can be procured to install the ASHP during this next year, 2021/22.

FINANCIAL REVIEW

The Accounts have been drawn up for the second year on an accruals basis. This comprises a Statement of Financial Activities (SOFA), a Balance Sheet and a range of Notes to the Accounts, within the CC17 Accounts Pack.

Income and expenditure

a) Operating income and expenses

Subscription revenue increased from £30,266 last year to **£42,033** for 2021, due to the higher member subscription rates, which were raised from £40 to **£50** for individuals and £80 to **£100** for families. This increase, the first in five years was agreed at last year's AGM to help fund Stage 2 of the upgrade programme. Income also benefitted this year from a return to allowing the maximum number of memberships (450). This had been restricted last year to around 90% of normal capacity, due to the onset of the covid crisis and recognition that there would need to be limits on the numbers swimming at the pool.

Total income of **£42,283** is classified as Unrestricted Funds in the SOFA and Note 3, meaning that it can be used to fund any routine expenditure.

Operating expenditure (before depreciation) reflects the costs of operating the pool for the full extended season, from **1 April to 3 October** compared to the COVID restricted 1 August to 11 October last year. Operating costs total **£23,226** compared with £14,139 in 2020. In particular, gas and electricity, along with insurance for the new plant room systems, have cost more, while water costs are less, as a result of reconnecting to use the water supply from the well at the Shere Surgery, (rather than having to rely on mains supplies).

This has all led to a much improved operating surplus of **£19,057** for the year compared to a deficit of **£1,766** from unrestricted fund income for 2020. Operating expenditure is analysed in Note 6 to the Accounts.

Depreciation of **£12,985** represents a further deduction from income to take into account, but does not represent money actually paid out, just a provision for future expenditure. It is therefore shown as a deduction from Restricted Income Funds (the grants and donations), as set out in the SOFA and Note 6 to the Accounts. This figure is the same as for last year.

b) Grants, donations and gift aid

Members again made substantial donations this year, amounting to **£11,000** compared to the £10,383 donated last year, contributing significantly to the extra fundraising targets.

In addition, gift aid amounting to **£8,538** was received from Her Majesty's Revenue and Customs (HMRC), representing amounts due in respect of donations received in 2020 and 2021, including subscriptions not refunded in 2020 and allowed to be treated as member donations.

One further grant application was made, to the Philip Harrison Foundation, which supports disabled people involved in sport, in particular. However, this was unsuccessful, probably because the

proportion of disabled people likely to benefit from the next stage of the SSPC development is relatively modest, rather than this being the main focus for the investment.

Fixed Assets

No further additions to fixed assets occurred during the year, pending commencement of the rebuilding of the changing rooms, which will not begin until November 2021. The depreciation charge of £12,985 for the year therefore relates only to the upgraded pool infrastructure and plant room systems, which were completed last year.

Financial position at end of period

The net operating surplus of **£19,057**, together with funds from donations and gift aid less depreciation: £19,538 - £12,985 = **£6,553** have resulted in increases in unrestricted and restricted funds respectively, totalling **£25,610** for the year, in combination.

£4,844 carried forward as a prepayment in current assets represents capital expenditure incurred as preliminary expenditure, for specification and survey work relating to the Stage 2 Rebuild. This will be treated as capital expenditure along with the other Stage 2 costs, once the project is complete, and transferred to fixed assets next year.

Net current assets have increased by **£38,595** from £24,289 in 2020 to £62,884 in 2021, with the difference between this increase and the increase in total funds of £25,610 being the depreciation charge of £12,985). This is a healthy financial position, with surplus funds being ear-marked to support Stage 2 of the Pool Upgrade Project.

Meeting future funding requirements

Net current assets amount to **£62,884**, although a general reserve of £6,000 was established last year, reducing the amount which it would normally be appropriate to use for capital projects by this amount, to **£56,884**. In addition, a further grant of **£25,000** has been promised for Stage 2 by **Sport England** last year. This brings the total funds already available to **£81,884**. It had been hoped that it would be possible to obtain a loan of **£20,000** from Shere Parish Council, promised last year, to supplement these financial resources to fund Stage 2. However, that loan is not now available this year, due to the greater financial constraints under which SPC is now operating, given the financial implications of COVID. There is therefore a shortfall against the Stage 2 **£95,000** Budget amounting to **£13,116** which still needs to be funded.

A further grant application is in progress, with **Your Fund Surrey (YFS)**, a major initiative from **Surrey County Council**, designed to invest in a wide range of community development projects around the county, over the next five years. This is being considered to fund both the remaining requirements for Stage 2, as well as the investment in the **ASHP**. The availability of other funds, geared to supporting projects with environmental benefits is also being explored. However, given the time it has taken to finalise the costs for Stage 2 and to complete the feasibility study for the **ASHP**, it has not yet been possible to complete the final YFS application or progress other environmental grant funding consideration.

Consideration has therefore needed to be given to accessing future SSPC funds. Based on the experience of operating the new tiled pool and systems, for a full swimming season this year, it has been possible to produce a more realistic operational budget for next year. SSPC also has the benefit of fixed price contracts for gas and electricity lasting until 2023. So it is not expected that costs for 2022 will increase from £23,226 to any more than **£25,000** in 2022, including a contingency of at least £1,000. On this basis, with a very similar level of income next year of **£42,000**, the operating surplus for 2022 has been estimated as likely to be at least **£17,000**.

The trustees have a high degree of confidence that it should be possible to run the pool next year, even if COVID restrictions need to continue, given our use of the now tried and trusted booking system and lanes. Indeed, members are keen to continue to use this system next year, even if COVID restrictions no longer apply, though probably modified to allow some periods where more open swimming might be possible.

On this basis the trustees believe that we can expect to receive and retain a full year's members' subscriptions for 2022. The general reserve will not therefore need to be retained for next year, and can be utilised exceptionally, to assist in funding the shortfall. The trustees also believe that it should be possible to access a proportion of the expected 2022 operating surplus, to cover the remaining shortfall, if no other grants can be obtained in the meantime.

Taking account of the **£6,000** available from the general reserve, it might therefore be necessary to access as much as **£7,116** of the expected operating surplus for 2022 of £17,000 to make up the **£13,116** shortfall. This would still leave a remaining net operating surplus for 2022 of almost **£10,000**. If none of the contingencies incorporated in the Stage 2 costs and the 2022 operating budget are needed, the remaining net operating surplus could still be as high as **£14,000**. Given that subscriptions are received during January to March, nearly all the income of £42,000 or more expected for 2022 will be received in time to contribute to final payments due to the building contractors, in March.

On this basis, and having given due consideration to the risks, the trustees have approved this approach to meeting the funding shortfall for Stage 2. It has, however, been recognised that additional funding will need to be procured to press ahead with the subsequent ASHP project.

Principal financial risks

The Stage 1 upgrade project has already resulted in lower ongoing annual operational costs for the foreseeable future, given the increased efficiency of new plant room systems. There should continue to be much lower ongoing repairs and maintenance costs, given the much greater reliability of new systems and improved condition and greater sustainability of the pool structure. The recent increase in membership subscriptions should also help, in achieving operational surpluses for the next two or three years.

However, it should also be recognised that gas costs have recently risen very significantly and that electricity costs are also increasing. Operational expenditure will therefore require careful managing for the longer-term future (for 2023 and beyond). Increased gas prices should help justify the business case for investing in an ASHP so that, if this can be funded, it should reduce the level of gas consumption.

As already mentioned, it should be possible to continue to operate the pool utilising the booking system and lanes, even if some COVID restrictions need to continue. Overall, therefore, despite higher expected energy costs, the trustees believe that it should be possible to continue to operate the pool at a financial surplus. The financial risks considered to be facing SSPC are therefore considered to be relatively low for the foreseeable future.

STRUCTURE, GOVERNANCE and MANAGEMENT

Constitution

The constitution in use is complies with Charity Commission standards, as applicable for a CIO (charitable incorporated organisation).

Particular features of the constitution are:

- Pool members all become voting members of the CIO
- This is through adoption of the 'Association' CIO model
- Voting will normally be through attendance at general meetings (AGMs, EGMs)
- No activities can be undertaken which are in conflict with the charitable purposes of the organisation (for example, the club is not allowed to make a profit – though this does not represent a change from the previous 'non-profit making' status)
- 1/3 of trustees retire by rotation at the AGM each year (though they can be re-appointed).

Trustees

Trustees are recruited from the membership of the club, based on names normally put forward to the AGM and confirmed by voting of those members attending. It is, however, possible for them to be appointed at other times of the year, and for any such extra appointments to be ratified at the subsequent AGM.

All Trustees including the four officers of the club appointed last year have continued to perform their roles during the 20/21 financial year, with no changes. The roles of Trustees and their appointments will be re-considered at the 2021 AGM, scheduled to be held on 15 November.

Management

The four officers of the club, who are also trustees, comprise the Chairman, Secretary, Treasurer and Membership Secretary. There are currently fourteen trustees in all.

All sub-committees are led by trustees and have clear responsibilities and goals, to take forward the many ambitious initiatives being pursued by the club.

These comprise the Pool Operations sub-committee (led by the Pool Operations Manager, supported by a Deputy Manager), the Risk sub-committee (led by the Health and Safety Manager), the Fundraising sub-committee (led by the Chairman) and the Membership sub-committee (led by the Membership Secretary).

Shere Parish Council

As the main lessor of the pool and with overall responsibility for promotion of community initiatives, Shere Parish Council (SPC) continues to take a keen interest in pool management matters and provides financial support where needed. SPC has a representative attending all trustee meetings and providing close communication with the Parish Council.

REFERENCE AND ADMINISTRATIVE DETAILS

Name

The name of the charitable incorporated organisation is: **Shere Swimming Pool Club.**

Charity Registered Number: 1184796

Principal Address

The Secretary, Town Clays, Gomshall Lane, Shere, Guildford, Surrey. GU5 9HE.

Names of Trustees

(pending any changes following the AGM on 15 November 2021):

David Roe (Chairman), Jenny Taylor (Secretary), Amanda Hall (Treasurer), David Pryor (Membership Secretary), Clive Stevens (Pool Operations Manager), Steve Moggs (Health and Safety Manager and Deputy Pool Operations Manager), Barry Arnfield (Plant Room Systems), Roger Troughton (Website and Technology Manager), Betty Fitzpatrick (Pool Cleaning Manager), Marion Taylor-Cotter (Publicity), Ian Allen, Jenny Kingcome, Rosie Williams, Martin Knights.
(Jonathan Cross is the SPC representative on the Trustees Committee).

Funds held as custodian trustees



None. Not applicable.

Exemptions from disclosure

None.

Declarations

Signed on behalf of the charity's trustees:

Signature(s)		
Full name(s)	David Roe	Amanda Hall
Position	Chairman	Treasurer
Date: 26.10.21		