

**Trustees' Report and
Audited Financial Statements for the Year Ended 31 March 2023
for
Formby Pool Trust**

Advance Audit Limited
Statutory Auditor
71/73 Houghton Street
Southport
Merseyside
PR9 0PR

Formby Pool Trust

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Formby Pool Trust

Reference and Administrative Details for the Year Ended 31 March 2023

TRUSTEES	D Edwards D Wilson D V Pugh (resigned 14.4.22) C M Page R Dawson S Crean N S Killen (resigned 7.11.22) J C Scorgie M Williams (resigned 26.9.22) P Adams (appointed 7.11.22) C H Bull (appointed 7.11.22) H G Davies (appointed 7.11.22)
COMPANY SECRETARY	R Dawson
REGISTERED OFFICE	Elbow Lane Formby Merseyside L37 4AB
REGISTERED COMPANY NUMBER	04479074
REGISTERED CHARITY NUMBER	1099941
AUDITORS	Advance Audit Limited Statutory Auditor 71/73 Houghton Street Southport Merseyside PR9 0PR

Formby Pool Trust (Registered number: 04479074)

Trustees' Report for the Year Ended 31 March 2023

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 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Formby Pool Trust provides a swimming pool, fitness facility and café in a park setting. We aim to be at the heart of the community promoting the health, wellbeing and welfare of local people through the work we do. The Trust works in partnership with Formby Land Trust as owners of the land and building and Sefton Metropolitan Borough Council which commissions services.

The trust has 6 strategic objectives:

- ==> Being at the heart of the Formby Community
- ==> Delivering a first-class service, being the best that we can be.
- ==> Being a good employer
- ==> Achieving optimal financial performance to allow future reinvestment
- ==> Developing our services and facilities to meet the needs of local people
- ==> Working towards environmental sustainability.

In 2021/22 the trustees reviewed their 5-year strategic plan and agreed a new 5-year strategy 2022-27. Consultation with members, staff, trustees and the local community helped shape the strategy. This strategy coincides with the second half of the current 10-year lease from Sefton Council.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Significant achievements over the 2022/23 period have included:

- ==> Opening a three-studio group exercise facility in Chapel Lane, Formby village in June 2022. This increased weekly fitness classes from 82 to 95, improving health and wellbeing and contributing to economic regeneration of the village. This was only affordable as the refurbishment was done inhouse. This has resulted in a 40% increase in the number of fitness visits over the year.
- ==> Extension of the gym to double the previous size using the refurbished former fitness studio in January 2023 and refurbishment of fitness changing rooms.
- ==> A 21% increase in fitness membership to 2718 during the year.
- ==> Maintaining the popular swim school with nearly 1900 children weekly. The trust developed a combined level 1 and 2 course for swimming teachers to address a national shortage of swimming teachers. The quality has been enhanced through a new role of swim school supervisor.
- ==> Investment in developing staff, through a leadership development programme for senior managers and junior managers.
- ==> Providing opportunities for career progression and succession planning through new roles such as the swim school supervisor and studio supervisors.
- ==> Prudent financial management which resulted in a small deficit despite the considerable capital investment and increased energy costs during the year.

The success of the Trust over this year is due to the hard work, dedication and commitment of the management team and staff, with the leadership and support of trustees and partner organisations and the loyalty and commitment of members.

Formby Pool Trust (Registered number: 04479074)

Trustees' Report for the Year Ended 31 March 2023

FINANCIAL REVIEW

Financial review and reserves

The trust aims to become financially sustainable and invests to save, when possible. Income has increased in all areas in the financial year. There were financial challenges during the year including planned investment in the Chapel Lane and gym extension and unplanned increases in energy. Prudent management resulted in a small deficit of £26,787 for this financial year.

The trust has invested to build financial resilience. The Trust has retained much of the government backed business continuity loan to enable it to maintain a stable and strong position moving into the coming year.

FUTURE PLANS

Membership of the organisation is growing rapidly following the investment in facilities and services. Future plans for the Trust include:

==> Maintaining the quality of the building, site and services whilst expanding the offer to members. Over the next year plans include refurbishment of significant areas of the building, including the pool changing village, pool side tiling and cafe. Some of this refurbishment will be funded by Sefton council as part of the lifecycle plan and pool closure during the refurbishment will impact on income.

==> Installation of an air source heat pump and additional solar panels with the help of Formby Land Trust to bring the organisation closer to its goal of becoming carbon neutral.

==> Continuing to adapt to meeting the needs and demands arising from population changes.

==> Planning opportunities for development in response to changing needs. This will include a landscape plan, and potential onsite development.

==> Developing a 2023-27 investment strategy and starting discussions on a new lease from 2027.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustees

Dr Dympna Edwards
Mr David Wilson
Mr Rod Dawson
Cllr Catie Page
Mrs Sharon Crean
Mr Jamie Scorgie
Ms Pauline Adams
Mrs Katie Bull
Mrs Heather Davies

Chairman
Vice Chairman
Trustee and Company Secretary
Trustee and Sefton Council Representative
Trustee and Formby Land Trust Representative
Trustee
Trustee
Trustee
Trustee

Trustees are appointed for a three-year period. One trustee stood down and three new trustees were recruited to the board at the last AGM. There is currently a vacancy for a Sefton Council officer Representative.

Decision making

The Board of Trustees has continued to meet bimonthly over the year by zoom and in person and has overall responsibility for the management of the business with clear oversight and a scheme of delegation. Regular performance reports are made to the board against the annual delivery plan and 5-year strategic plan. Performance is also reported to a partnership board and scrutinised on a six-monthly basis.

Financial transactions undergo independent checks by the trustees, particularly cash-flow, expenditure and income trends. Cheques are signed by one authorised signatory. The accounts and supporting records have been reviewed by the Trust's auditors.

Formby Pool Trust (Registered number: 04479074)

Trustees' Report for the Year Ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Formby Pool Trust 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Advance Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 21 August 2023 and signed on its behalf by:

D Edwards - Trustee

Report of the Independent Auditors to the Members of Formby Pool Trust

Opinion

We have audited the financial statements of Formby Pool Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Formby Pool Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of Formby Pool Trust

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jennifer Tobin FCCA (Senior Statutory Auditor)
for and on behalf of Advance Audit Limited
Statutory Auditor
71/73 Hoghton Street
Southport
Merseyside
PR9 0PR

21 August 2023

Formby Pool Trust

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 March 2023

		2023 Unrestricted funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	260,758	186,667
Charitable activities	4		
Activities undertaken directly		1,827,672	1,423,911
Investment income	3	1,753	57
Total		<u>2,090,183</u>	<u>1,610,635</u>
EXPENDITURE ON			
Charitable activities	5		
Activities undertaken directly		<u>2,116,970</u>	<u>1,616,401</u>
NET INCOME/(EXPENDITURE)		(26,787)	(5,766)
RECONCILIATION OF FUNDS			
Total funds brought forward		250,466	256,232
TOTAL FUNDS CARRIED FORWARD		<u>223,679</u>	<u>250,466</u>

The notes form part of these financial statements

Formby Pool Trust (Registered number: 04479074)

**Balance Sheet
31 March 2023**

	Notes	2023 Unrestricted funds £	2022 Total funds £
FIXED ASSETS			
Tangible assets	11	230,372	208,148
CURRENT ASSETS			
Stocks	12	3,841	2,681
Debtors	13	99,365	39,003
Cash at bank and in hand		<u>295,528</u>	<u>455,277</u>
		398,734	496,961
CREDITORS			
Amounts falling due within one year	14	(222,484)	(236,201)
NET CURRENT ASSETS		<u>176,250</u>	<u>260,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		406,622	468,908
CREDITORS			
Amounts falling due after more than one year	15	(182,943)	(218,442)
NET ASSETS FUNDS		<u>223,679</u>	<u>250,466</u>
Unrestricted funds	18	<u>223,679</u>	<u>250,466</u>
TOTAL FUNDS		<u>223,679</u>	<u>250,466</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 August 2023 and were signed on its behalf by:

D Edwards - Trustee

D Wilson - Trustee

Formby Pool Trust

Cash Flow Statement for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(24,433)	190,743
Interest paid		<u>(11,798)</u>	<u>(8,782)</u>
Net cash (used in)/provided by operating activities		<u>(36,231)</u>	<u>181,961</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(107,006)	(144,078)
Interest received		<u>1,753</u>	<u>57</u>
Net cash used in investing activities		<u>(105,253)</u>	<u>(144,021)</u>
Cash flows from financing activities			
Loan repayments in year		(59,870)	(29,723)
Capital repayments in year		(8,385)	(7,165)
New borrowings in year		<u>49,990</u>	<u>-</u>
Net cash used in financing activities		<u>(18,265)</u>	<u>(36,888)</u>
Change in cash and cash equivalents in the reporting period			
		(159,749)	1,052
Cash and cash equivalents at the beginning of the reporting period			
		<u>455,277</u>	<u>454,225</u>
Cash and cash equivalents at the end of the reporting period			
		<u>295,528</u>	<u>455,277</u>

The notes form part of these financial statements

Formby Pool Trust

Notes to the Cash Flow Statement for the Year Ended 31 March 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(26,787)	(5,766)
Adjustments for:		
Depreciation charges	84,782	93,424
Interest received	(1,753)	(57)
Interest paid	11,798	8,782
Increase in stocks	(1,160)	(1,315)
(Increase)/decrease in debtors	(60,362)	2,551
(Decrease)/increase in creditors	(30,951)	93,124
Net cash (used in)/provided by operations	<u>(24,433)</u>	<u>190,743</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>455,277</u>	<u>(159,749)</u>	<u>295,528</u>
	<u>455,277</u>	<u>(159,749)</u>	<u>295,528</u>
Debt			
Finance leases	(1,941)	(41,605)	(43,546)
Debts falling due within 1 year	(51,836)	(2,012)	(53,848)
Debts falling due after 1 year	<u>(218,442)</u>	<u>61,882</u>	<u>(156,560)</u>
	<u>(272,219)</u>	<u>18,265</u>	<u>(253,954)</u>
Total	<u>183,058</u>	<u>(141,484)</u>	<u>41,574</u>

Formby Pool Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2019)', 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.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Revenue support grants are accounted for as they become receivable.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment - 50% on cost, 33% on cost and 25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

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

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

Financial Instruments

The charity 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.

Taxation

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

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated fund is set out in the notes to the financial statements.

The charity does not have any restricted funds.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Retirement benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Irrecoverable VAT

All VAT which can not be recovered due to partial exemption regulations is shown within the appropriate expenditure headings in the Statement of Financial Activities.

Going concern

The accounts show a net asset position at 31 March 2023. Management and the Board of trustees have reviewed the current performance and prepared forecasts alongside setting achievable budgets for the next 12 months.

The realisation of these forecasts may be affected by a number of factors outside their control affecting the charity and the UK economy. Management and the trustees are continuously assessing the impact of these factors on the charity and are reacting and adapting to ever changing working circumstances.

For these reasons, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Annual Fee Sefton MBC	<u>260,758</u>	<u>186,667</u>

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

3. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest receivable	<u>1,753</u>	<u>57</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Pool Income	Activities undertaken directly	1,652,521	1,213,974
Car Park Income	Activities undertaken directly	4,904	3,096
Goods for Resale	Activities undertaken directly	28,412	25,726
Café and Events	Activities undertaken directly	139,142	97,019
Grant income	Activities undertaken directly	-	83,336
Miscellaneous Income	Activities undertaken directly	2,693	760
		<u>1,827,672</u>	<u>1,423,911</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Activities undertaken directly	<u>2,096,672</u>	<u>20,298</u>	<u>2,116,970</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	952,844	779,430
Freelance instructors	107,219	93,997
Rates and water	12,010	7,703
Insurance	89,107	51,128
Light and heat	217,579	75,640
Telephone	5,352	3,590
Postage and stationery	17,032	9,408
Advertising	14,910	9,235
Sundries	28,521	12,200
Repairs, Maintenance and Equipment	223,444	102,360
Equipment Rental	8,311	10,615
Chapel Lane costs	40,642	105,555
Cleaning	28,288	19,095
IT Support, Hardware and Software	51,653	43,844
Provisions	83,105	62,838
Recruitment and Training	17,504	7,520
Consultancy and Professional Fees	31,863	46,482
Finance Charges	44,881	30,417
Security	14,990	12,454
Rent	22,635	25,000
Depreciation	84,782	93,424
	<u>2,096,672</u>	<u>1,601,935</u>

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

7. SUPPORT COSTS

	Governance costs £
Activities undertaken directly	<u>20,298</u>

Support costs, included in the above, are as follows:

Governance costs

	2023 Activities undertaken directly £	2022 Total activities £
Auditors' remuneration	8,500	5,684
Bank interest	<u>11,798</u>	<u>8,782</u>
	<u>20,298</u>	<u>14,466</u>

8. NET INCOME/(EXPENDITURE)

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

	2023	2022
£		
Auditors' remuneration	8,500	5,684
Depreciation	<u>84,782</u>	<u>93,424</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

10. STAFF COSTS

	2023 £	2022 £
Wages and salaries	891,469	730,808
Social security costs	47,846	36,802
Other pension costs	<u>13,529</u>	<u>11,820</u>
	<u>952,844</u>	<u>779,430</u>

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

10. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2023	2022
Pool and Cafe	59	50
Maintenance	3	4
Admin	12	9
Management	7	7
	<u>81</u>	<u>70</u>

No employees received emoluments in excess of £60,000.

11. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 April 2022	685,507
Additions	107,006
Disposals	<u>(30,970)</u>
At 31 March 2023	<u>761,543</u>
DEPRECIATION	
At 1 April 2022	477,359
Charge for year	84,782
Eliminated on disposal	<u>(30,970)</u>
At 31 March 2023	<u>531,171</u>
NET BOOK VALUE	
At 31 March 2023	<u>230,372</u>
At 31 March 2022	<u>208,148</u>

12. STOCKS

	2023 £	2022 £
Stocks	<u>3,841</u>	<u>2,681</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	20,342	27,763
VAT	3,950	-
Prepayments and accrued income	<u>75,073</u>	<u>11,240</u>
	<u>99,365</u>	<u>39,003</u>

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	53,848	51,836
Hire purchase (see note 17)	17,163	1,941
Trade creditors	91,127	47,423
Social security and other taxes	9,570	12,856
VAT	-	11,229
Other creditors	31,242	66,327
Accruals and deferred income	19,534	44,589
	<u>222,484</u>	<u>236,201</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 16)	156,560	218,442
Hire purchase (see note 17)	26,383	-
	<u>182,943</u>	<u>218,442</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>53,848</u>	<u>51,836</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>156,560</u>	<u>218,442</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	17,163	1,941
Between one and five years	<u>26,383</u>	-
	<u>43,546</u>	<u>1,941</u>
	Non-cancellable	operating leases
	2023	2022
	£	£
Within one year	1,220	1,220
Between one and five years	<u>3,355</u>	<u>4,575</u>
	<u>4,575</u>	<u>5,795</u>

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

18. MOVEMENT IN FUNDS

£	At 01.04.22	Net movement in funds	Capital expenditure paid out of development fund	Transfers between funds	At 31.03.23
£	£	£	£	£	£
Unrestricted funds					
General fund	226,042	(26,787)	-	-	199,255
Development fund	24,424	-	-	-	24,424
TOTAL FUNDS	<u>256,232</u>	<u>(5,766)</u>	<u>-</u>	<u>-</u>	<u>250,466</u>

Net movement in funds, included in the above are as follows:

£	£	£	Incoming resources	Resources expended	Movement in funds
£	£	£	£	£	£
Unrestricted funds					
General fund			2,090,185	(2,116,972)	(26,787)
TOTAL FUNDS			<u>2,090,185</u>	<u>(2,116,972)</u>	<u>(26,787)</u>

Comparatives for movement in funds

£	At 01.04.21	Net movement in funds	Capital expenditure paid out of development fund	Transfers between funds	At 31.03.22
£	£	£	£	£	£
Unrestricted funds					
General fund	231,808	(5,766)	-	-	226,042
Development fund	24,424	-	-	-	24,424
TOTAL FUNDS	<u>464,460</u>	<u>(208,228)</u>	<u>-</u>	<u>-</u>	<u>256,232</u>

Net movement in funds, included in the above are as follows:

£	£	£	Incoming resources	Resources expended	Movement in funds
£	£	£	£	£	£
Unrestricted funds					
General fund			1,610,635	(1,616,401)	(5,766)
TOTAL FUNDS			<u>1,610,635</u>	<u>(1,616,401)</u>	<u>(5,766)</u>

As part of the operating agreement between Formby Pool Trust, Formby Land Trust and Sefton MBC, a designated development fund was established.

From the year ended 31 March 2018 onwards, 50% of any surpluses generated by Formby Pool Trust are transferred to the Development Fund to be used for developments to the facilities or services as agreed by the partnership board.

Formby Pool Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

19. RELATED PARTY DISCLOSURES

Formby Pool Trust are part of a tri-party agreement together with Formby Land Trust and Sefton MBC to enable the operation of the leisure centre.

Formby Land Trust own the land and building within which Formby Pool Trust operates the leisure centre.

The land and building are leased under the terms of a lease contained within the Operating Agreement and there is a representative of Formby Land Trust on the Formby Pool Trust board of trustees. Rent totalling £5,000 was charged to profit and loss during the year covering the 5 years ending 31 March 2023 (2022: £25,000 covering the five years to 2022).

Sefton MBC provide Formby Pool Trust with an annual fee contribution towards the operation of the leisure centre. Sefton MBC provides a Sinking Fund which is accessed for LifeCycle maintenance and building requirements at the leisure centre. There are ordinarily two representatives of Sefton MBC on the Formby Pool Trust board of trustees.

During the 2017 year end the operating agreement was renewed with Sefton MBC and a new ten year lease was agreed and signed. The annual fee contribution has been agreed which provides a financial subsidy linked with RPI.

Formby Pool Trust received an Annual Fee contribution from Sefton MBC of £260,758 (2022: £186,667) under the terms of the Operating Agreement and £79,039 (2022: £27,489) was accessed in relation to LifeCycle works paid for out of the Sinking Fund. At the year end £15,340 (2022: £27,489) was due from Sefton Council in respect of LifeCycle works, as well as an additional £1,463 (2022: NIL) in relation to leisure centre memberships for employees of Sefton MBC.

Formby Pool Trust paid Sefton MBC £27,712 (2022: £12,925) for car park control, waste removal and security services and £11,950 (2022: £4,783) for general rates. At the year end an amount of £450 (2022: £202) was due to Sefton MBC in respect of the above recharges.

In an earlier year, Formby Pool Trust agreed to provide a contribution in relation to equipment to Formby Land Trust following completion of the extension during 2019/20. The total contribution was £60,000 of which £24,900 remains outstanding as at the year-end and falls payable within the 2023/24 financial year.

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