



Charity No. 1156811

Lordsfield Swimming Club

Reserves Policy

Definition

Reserves are that part of the Club's unrestricted funds which are freely available to support its general operations, that is to maintain and operate a community swimming pool.

They may be thought of as "rainy day" funds where, for a variety of reasons, the Club finds its payments are outstripping receipts in a way that, without reserves, would leave the Club unable to pay its bills.

Purpose

- Working capital to pay for goods and services and support cash flow.
- To have contingency to meet any unexpected spending requirements because of a shortfall in income or where project costs have gone over budget.
- The levels of reserves will be monitored over the year and the Reserves Policy will be reviewed annually to reflect up-to-date influences and impacts.
- To ensure that the Club's sustainability and its capacity to manage unforeseen financial difficulties.
- To inform the budget by identifying any uncertainty in future income management.

Club Secretary: Janella Thow
15 Station Road, Overton
Hampshire, RG25 3DU

Created on: November 2015



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Cash Flow Risk

Sources of Income

- Membership fees
- Swimming
- Fundraising and donations
- Grants from various bodies

None of these income streams are guaranteed. The Club have experienced this first-hand, twice in recent years where it has been unable to open the pool for a season and generate income from membership fees and swimming activity. In 2018 this was due to the prolonged negotiation of a 25-year lease with Hampshire County Council for the pool, and then again in 2020 due to the Covid pandemic.

Although a closure of the pool brings operating expenditure savings there are still costs which need to be met.

During these years the Club was solely reliant on grants and the generosity of others and highlighted the need for reserves.

Contingency

To avoid closure during a “normal”, “open” season, if funding difficulties were to happen, particularly in the case of membership fees and swimming income loss due to poor summer weather or pool plant issues forcing closure for part of the season, the Trustees have agreed to keep a level of reserves to ensure that the pool can continue to function a further two seasons. After the 2021 season, this is currently estimated at around £30,000.

The main cost concerns are:

- That the Club needs to have the requisite number of volunteers who have received the appropriate level of first-aid, life-saving and pool plant operating training. This training needs to be ongoing for the charity to operate as a volunteer only run community pool.
- That any capital expenditure, such as pool covers, new fencing, replacement pool liner or a new boiler, be covered, at least in part, by the reserves.

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Commitments

These relate to forward looking expenditure and projects. Some of which are nice to do and some that must be done.

Since the Charity's Registration in 2014, the Trustees have been aware that the swimming pool liner would need replacing within 10 years. This is a major item of capital expenditure. We also became aware that other areas of the pool are in need of renovation and modernising due in part to the lack of maintenance by HCC and the need to follow best practice from PWTAG (The Pool Water Treatment Advisory Group), as well as the need to move to greener sources of energy.

In 2021 the Trustees have worked with a pool designer to scope out a major renovation project to include both the replacement of the pool liner and the modernising of equipment to give us a pool fit for the times. This work will commence in September 2022 and be completed in time for the pool to reopen for the 2023 season. It expected to cost in the range of £100,000 - £150,000.

The Club have been building reserves through section 106 funds and additional promotion resulting in further fundraising and donations by the local community.

Current Position

The Club is, at present has £84,000 in reserves. The Trustees propose to build this up further by applying for grants to either help with the costs of the renovation project or the annual operating costs to enable the swimming pool to train its volunteers and be open for the local community in 2023.

The level of reserves will be monitored at each Trustees meeting by the Treasurer.

This Policy will be reviewed annually by the Trustees.

Date: November 2015

Reviewed: February 2022

Next Review: February 2023

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