

REGISTERED COMPANY NUMBER: 04684234 (England and Wales)
REGISTERED CHARITY NUMBER: 1123870

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**SWIMATHON FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

SWIMATHON FOUNDATION

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FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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SWIMATHON FOUNDATION

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

TRUSTEES	Mr R I Riley Mr P Stinson Mr A N Kendall Ms D Notaro Mrs D Radice Mr G Pearce Ms E Wilkinson (appointed 28 th April 2020)
COMPANY SECRETARY	Kerry Secretarial services Ltd
REGISTERED OFFICE	C/O Cox Costello & Horne 26 Main Avenue Moor Park HA6 2HJ
REGISTERED COMPANY NUMBER	04684234 (England and Wales)
REGISTERED CHARITY NUMBER	1123870
AUDITORS	Cox Costello & Horne Chartered Accountants and Statutory Auditors 26 Main Avenue Moor Park HA6 2HJ
BANKERS	Barclays Bank PLC 54 High Street Ruislip Middlesex HA4 7AT
SOLICITORS	Clintons 55 Drury Lane Covent Garden London WC2B 5RZ
WEBSITE	www.swimathonfoundation.org

SWIMATHON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees who are the directors of the Charity for the purposes of the Companies Act 2006, present their report with the audited financial statements for the year ended 30 September 2020. 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

The objectives of the Charity are:

“To promote and support any charitable purposes for the benefit of the public, in particular but not limited to the protection of health, the relief of poverty and sickness, the advancement of education and purposes for the general benefit of the inhabitants of the United Kingdom and elsewhere.”

Within these general objectives, the Charity works with charitable, commercial, facility operator and national governing body partners to promote the health, wellbeing and education of the general public through swimming. The Charity works with its charity partners – currently Marie Curie and Cancer Research UK – to promote their charitable activities through the provision to the general public of opportunities to swim and, in so doing, to raise funds in support of those charitable activities.

The Charity also supports smaller organisations that are involved with local swimming projects through its community grants scheme, under which the Charity aims to provide funds for new projects and activities in accordance with the grant making policy set out below.

Significant activities

The Charity continues to seek to invest in, expand and develop swimming events and related services and activities in the United Kingdom to maximise, in the longer term, the funds available for distribution to good causes and to promote the health, wellbeing and education of the general public through swimming. In October 2019, the Charity acquired the Marathon Swims event which caters for recreational swimmers who enjoy participating in more endurance based recreational swimming. With the advent of COVID-19 restrictions in early 2020, the Charity’s activities were severely curtailed with the Charity being prevented from staging its main pool based event as scheduled in late March 2020, and its Open Water Swimathon in September 2020. Notwithstanding this, some members of the general public swam and raised funds as part of a ‘virtual Swimathon’ when pools reopened over the summer of 2020. The Charity also launched a COVID-19 Relief Fund as part of its provision of grants to the swimming community, distributing some £50,000 to small community swimming groups in need.

Public benefit

Trustees 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.

Grant-making

The grant awards aim to encourage and support organisations which increase access to swimming and provide activities aimed at helping individuals and communities enjoy the health and wellbeing benefits of swimming throughout their lives. The grant policy will be reviewed annually and will invite applications from community groups including swimming clubs, older people’s organisations, youth groups, disability groups and other charities.

Volunteers

The Charity’s events and activities benefit from the work of a significant number of volunteers who assist in local delivery of the events, activities and campaigns promoted by the Charity and are recruited through the relevant company contracted to organise the Charity’s events.

Achievement and performance

Charitable activities

The charity, through its trading subsidiary, arranges the staging and promotion of swimming events in a nationwide network of participating swimming pools and at open water venues, to encourage members of the public, whatever their age or ability, to understand and realise the benefits of regular swimming as a means to improve health and wellbeing and to achieve personal fitness goals

Fundraising activities

The Swimathon events, continue to raise significant funds for the Charity and its other principal beneficiaries, through donations made principally by the participants in the main annual pool based Swimathon event which is usually held in the Spring.

SWIMATHON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievement and performance

Fundraising activities

The principal third party beneficiaries during the year were Marie Curie and Cancer Research UK (2019: Marie Curie and Cancer Research UK).

The charitable funds raised by the group for 2020 amounted to £1,013,112 (2019: £2,206,544).

Financial review

Principal funding sources

The principal funding source supporting the key objectives of the group are the fundraising receipts from the main annual pool based Swimathon event.

Investment policy and objectives

Under the Memorandum and Articles of Association, the charity has wide powers to invest at the discretion of the trustees. The investment policy is designed to support the reserves policy. The charity seeks to adopt a cautious, prudent and well-diversified investment stance to balance potential returns with appropriate levels of risk.

The group maintains its investments in readily accessible bank accounts. The risks attached to these funds are deemed to be minimal.

Reserves policy

Our reserves policy is set to ensure our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required.

It is the policy of the charity to maintain sufficient unrestricted funds to be able to stage at least one iteration of the main pool based Swimathon event currently £600,000. Since 2018 the Charity has been able to adhere to this policy by keeping sufficient unrestricted funds in reserve. As a result of the COVID-19 pandemic the Charity was prevented from staging its main pool based event in 2020 resulting in a material reduction in funds which would otherwise have been reserved under this policy. The Charity will seek to re-establish its reserves to a level equating to 120% of the costs of staging one iteration of the main pool based Swimathon event, over a period of five financial years commencing with the financial year ending on 30th September 2021.

The reserves policy is kept under periodic review and reserves levels will be adjusted as perceptions of risk and other factors change.

The achievements and performance of Swimathon (Trading) Limited, a wholly owned subsidiary, are aligned to the Charity as its parent charitable company.

Principal risks and uncertainties

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary recommendations can be made to reduce these risks. The Trustees also consider non-financial risks. A key element in the management of financial risk is the setting of the reserves policy referred to above.

Future plans

The Trustees intend to continue to invest in swimming events and supporting services and activities both on and off line and through charitable and commercial third party associations and partnerships, so as to create a year round range of swimming activities and events and supporting information, and to develop and expand an online community of recreational swimmers. The Trustees intend to stage the main pool based Swimathon event and the Open Water Swimathon in September 2021 at some 300 participating pools and some 30 open water venues and to stage Marathon Swims at the London Aquatics Centre in November 2021.

Criteria for measuring success

The Charity measures its success by means of a number of criteria, including:

- The numbers of swimmers participating in its events and activities;
- The number and quality of swimming events and activities that it is able to support in any year;
- The level of funds raised by members of the public in connection with their participating in its swimming events and activities;
- The level of financial support that it is able to provide through its community grant scheme to improve access to swimming amongst the general public;
- The level of promotional activity that it is able to undertake to encourage the involvement of the general public in recreational swimming; and
- The creation and development of a year round engaged community of recreational swimmers.

SWIMATHON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity incorporated on 3 March 2003 and is governed by its Memorandum and Articles of Association. The Memorandum and Articles of Association have since been amended by special written resolutions dated 8 June 2011 and 20 October 2015 respectively.

Recruitment and appointment of new Trustees

The Articles of Association allows for the appointment of at least 2 directors but with no maximum. The Trustees may be appointed during the year by the Trustees or at any general meeting. Retirement by rotation provisions apply.

Organisational structure

Trustees

The Trustees oversee a robust governance framework. The Trustees meet at least quarterly in each financial year. The charity's governance complies with the Code for the Voluntary and Community Sector endorsed by the Charity Commission. The Trustees have agreed a schedule of matters which includes approval of annual budgets. All Trustees are members of the charity and directors of the charitable company.

During the period there were 7 (2019: 5) meetings of the trustees.

Members

The Charity's constitution allows the appointment of members and has no restriction on member numbers. They are entitled to attend all general meetings, including the AGM, where they receive the annual report and accounts and elect trustees. There are currently 7 members, of which 7 are trustees. Each member guarantees to contribute up to ten pounds sterling (£10) to the charity's debts, liabilities and costs in the event of the Charity being wound up and for one year after ceasing to be a member.

Induction and training of new Trustees

The Trustees offer a wide range of skills and experience essential to the good governance of the charity. On an informal basis, new Trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and decision making process, the business plan and recent financial performance of the Charity. During the informal induction, Trustees meet key persons of the Charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. New Trustees will need to show experience of and/or commitment to Swimathon events or to swimming in general.

Wider network

The Trustees maintain a wide network of contacts in the United Kingdom through the delivery of Swimathon events in swimming pools and open water venues in the United Kingdom, as well as through the operation of a community grants programme, every year. These include the National Governing Bodies for Swimming of England, Scotland and Wales and all major Pool Operating Groups in the UK.

Related parties

Swimathon (Trading) Ltd is a wholly owned subsidiary of Swimathon Foundation. Consolidated financial statements have been prepared on the basis that the activities of the subsidiary are material to the group as a whole.

Philip Stinson, a trustee, is a partner in Clintons, a law firm engaged to provide legal and professional management services to the Charity and its trading subsidiary.

The trustees have considered the requirements as set out in the Charity Commission publication on "Trustee payments and expenses (CC11)". All related party transactions are approved by independent trustees.

Financial statements

The audited consolidated financial statements comply with the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities as revised in 2005, the Charities Act 2011, the Companies Act (2006) and the Charities (Accounts and Reports) Regulations 2008. The Trustees' report and consolidated financial statements are submitted to the Charity Commission following approval by the membership at the AGM.

Charity status

Swimathon Foundation is a company limited by guarantee, as defined by the Companies Act 2006 and is a registered charitable company with the Charity Commission.

SWIMATHON FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's Trustees (who are also directors of Swimathon Foundation and of its trading subsidiary Swimathon (Trading) Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and regulations.

Company law requires the Charity's Trustees to prepare financial statements for each financial year. Under that law, the Charity's Trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Charity's Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Charity's Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Charity's Trustees 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 the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Charity's Trustees confirm that so far as they are aware:

- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware.
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.


The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution for the reappointment of Cox, Costello and Horne as auditors for the charity will be proposed at the forthcoming Annual General Meeting.

18 June 2021

Approved by the trustees on and signed on their behalf by:

DocuSigned by:

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 Mr A N Kendall - trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SWIMATHON FOUNDATION

Opinion

We have audited the financial statements of Swimathon Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 September 2020 and of the group's 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006 the Charities Act 2011.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 report of the trustees, including the strategic report, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the report of the trustees, including the strategic report, has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SWIMATHON FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material mis-statements in the report of the trustees, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with regulations made under the Acts. 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 an auditor's report 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.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter three of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor's 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.

DocuSigned by:



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Michael F Cox BSc FCA (Senior Statutory Auditor)

for and on behalf of Cox Costello & Horne,
Chartered Accountants and Statutory Auditors,
26 Main Avenue, Moor Park, HA6 2HJ

Date: 19 June 2021

SWIMATHON FOUNDATION**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	30.9.20 Unrestricted fund £	30.9.19 Total funds £
GROSS CHARITY FUNDS RAISED		<u>1,005,086</u>	<u>2,206,544</u>
INCOME FROM:			
Donations	2	831,086	1,134,703
Other trading activities	3	157,808	248,374
Investment income	4	109	173
Other income		-	9,829
Total income		<u>989,003</u>	<u>1,393,079</u>
EXPENDITURE ON:			
Raising funds	5	756,455	856,585
Charitable activities	6		
Supporting charities and organisations involved in swimming		131,803	55,975
Donation to charitable institutions		-	38,712
Other expenditure	8	<u>302,271</u>	<u>248,516</u>
Total expenditure		<u>1,190,529</u>	<u>1,199,788</u>
Net income/(expenditure)		(201,526)	193,291
RECONCILIATION OF FUNDS:			
Total funds brought forward		<u>796,558</u>	<u>603,267</u>
Total funds carried forward		<u>595,032</u>	<u>796,558</u>

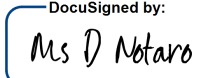
The notes form part of these accounts

SWIMATHON FOUNDATION

CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 30 SEPTEMBER 2020

	Notes	Group		Charity	
		30.9.20 Unrestricted funds £	30.9.19 Total funds £	30.9.20 Unrestricted funds £	30.9.19 Total funds £
FIXED ASSETS					
Intangible assets	13	54,512	-	54,512	-
Investments	14	-	-	1	1
TOTAL FIXED ASSETS		54,512	-	54,513	1
CURRENT ASSETS					
Debtors	15	98,833	540,859	199,358	137,136
Cash at bank and in hand		553,174	798,054	451,567	725,038
TOTAL CURRENT ASSETS		652,007	1,338,913	650,925	862,174
CREDITORS					
Amounts falling due within one year	16	(111,487)	(542,355)	(110,407)	(65,618)
NET CURRENT ASSETS		540,520	796,558	540,518	796,556
TOTAL ASSETS LESS CURRENT LIABILITIES		595,032	796,558	595,031	796,557
NET ASSETS		595,032	796,558	595,031	796,557
THE FUNDS OF THE CHARITY					
Unrestricted funds	17	595,032	796,558	595,031	796,557
TOTAL CHARITY FUNDS		595,032	796,558	595,031	796,557

The financial statements were approved by the trustees on 19 June 2021 and signed on their behalf by:

DocuSigned by:

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 Ms D Notaro - trustee

REGISTERED COMPANY NUMBER: 04684234 (England and Wales)
 REGISTERED CHARITY NUMBER: 1123870

The notes form part of these financial statements

SWIMATHON FOUNDATION**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	30.9.20 £	30.9.19 £
Cash flows from operating activities:			
Net cash provided by operating activities	21	<u>(163,221)</u>	<u>7,951</u>
Cash flows from investing activities:			
Purchase of intangible fixed assets		<u>(81,768)</u>	-
Interest received		<u>109</u>	<u>173</u>
Net cash provided by investing activities		<u>(81,659)</u>	<u>173</u>
Change in cash and cash equivalents in the reporting period		(244,880)	8,124
Cash and cash equivalents at the beginning of the reporting period		<u>798,054</u>	<u>789,930</u>
Cash and cash equivalents at the end of the reporting period		<u>553,174</u>	<u>798,054</u>

The notes form part of these financial statements

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. ACCOUNTING POLICIES**Basis of Preparation**

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. The financial statements have been prepared taking advantage of the reduced disclosure regime for ultimate parents. As permit by FRS 102 paragraph 1.12 (b) the parent charity's own statement of cash flow has not been presented.

Going concern

The financial statements are drawn up on the going concern basis which assumes Swimathon Foundation will continue in operational existence for the foreseeable future. The board of trustees have given due consideration to the working capital and cash flow requirements of Swimathon Foundation. The board of trustees consider Swimathon Foundation's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity and its subsidiary for at least 12 months from the date of signing the financial statements.

The charity has been impacted by the new "Corona" virus in the year 2020. The direct and indirect consequences of the new "Corona" virus and a corresponding global pandemic wave on the charity sector cannot yet be conclusively assessed. Various sectors and locations within the charity community will show different exposure and vulnerability to potential public shut-downs or other measures taken to contain the further spreading of the virus. "We will" consistently monitor this development and the impact on our charity in a very diligent, prudent and transparent way.

Basis of the consolidation

The accounts consolidate the results of the charity and its wholly owned subsidiary Swimathon (Trading) Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The income and expenditure account for the year dealt with in the accounts of the charitable company amounted to surplus/(deficit) of (£201,526) (2019 – £193,291).

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the charity and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activity from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Income

All income is recognised in the Statement of Financial Activities once the charitable company has a legal entitlement to the income, it is certain that the income will be received and the monetary value of income can be measured with sufficient reliability and accuracy.

Unrestricted donations

Charitable donations are recognised in the financial statements when the charitable donation has been received, or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (2019), the general volunteer time is not recognised.

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020****1. ACCOUNTING POLICIES – continued****Income-continued**

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

The charitable company is not registered for VAT as its sources of income are considered to be exempt from VAT. For this reason it is unable to recover input VAT it suffers on purchased goods and services and the cost is included with the item of expense to which it relates. Expenditure is recognised on an accrual basis as a liability is incurred.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charitable company. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they receive a grant and any condition attaching to the grant is outside of the control of the charity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

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

Management costs

Management costs comprise all costs involving the public accountability of the trust and its compliance with regulation and good practice. These costs include costs related to audit and management fees together with an apportionment of overhead and support costs.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's society services and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes.

Intangible fixed assets

Intangible fixed assets are initially measured at historic cost and subsequently carried at cost less accumulated amortisation and any accumulated impairment losses.

At the reporting date, the charity assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Amortisation is provided at rates calculated to write down the cost of each asset to its residual value (realistic value at the end of its economic life) on a systematic basis over its useful economic life. The amortisation rates in use on a straight line basis are as follows:

Computer software – 3 years.

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020****1. ACCOUNTING POLICIES - continued****Taxation**

The charity is an institution within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is an institution, which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax. For this reason, the charity is generally unable to recover input VAT it suffers on goods and services purchased. The charity's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

Fund accounting

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

2. DONATIONS

	30.9.20	30.9.19
	£	£
Donations	788,685	1,044,796
Gift aid	42,401	89,907
	<u>831,086</u>	<u>1,134,703</u>

For the 2020 Charity Funds Raised £1,005,086 (2019. £2,206,544) donations were collected by the Swimathon Foundation and distributed to Marie Curie £351,780 (2019. £778,596) and Cancer Research UK £351,780 (2019. £778,596)

3. OTHER TRADING ACTIVITIES

	30.9.20	30.9.19
	£	£
Fundraising events	<u>157,808</u>	<u>248,374</u>

4. INVESTMENT INCOME

	30.9.20	30.9.19
	£	£
Deposit account interest	<u>109</u>	<u>173</u>

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020****5. RAISING FUNDS****Raising donations and legacies**

	30.9.20	30.9.19
	£	£
Entry fees	157,808	164,956
Swimathon contribution	<u>598,647</u>	<u>691,629</u>
	<u>756,455</u>	<u>856,585</u>

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 7)	Totals
	£	£
Supporting charities and organisations involved in swimming	<u>131,803</u>	<u>131,803</u>
	<u>131,803</u>	<u>131,803</u>

7. GRANTS PAYABLE

	30.9.20	30.9.19
	£	£
Supporting charities and organisations involved in swimming	131,803	55,975
Donation to charitable institutions	<u>-</u>	<u>38,712</u>
	<u>131,803</u>	<u>94,687</u>

During the year, grants were payable to the following beneficiaries:

The Swimming Trust £nil (2019: £38,712), Schools Swimathon £82,824 (2019: £55,975) and Swimming Clubs Covid grants £48,979 (2019:£nil)

8. SUPPORT COSTS

	Management	Finance	Information technology	Totals
	£	£	£	£
Other resources expended	<u>293,127</u>	<u>442</u>	<u>8,702</u>	<u>302,271</u>

9. NET INCOME

Net income is stated after charging:

	30.9.20	30.9.19
	£	£
Auditors remuneration - audit fees	8 10,200	10,200
Computer software amortisation	8 <u>27,256</u>	<u>-</u>

The amortisation cost is included in the SOFA within other expenditure.

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020****10. TRUSTEES' REMUNERATION AND BENEFITS**

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses

	30.9.20	30.9.19
	£	£
Trustees' expenses	<u>6,242</u>	<u>6,949</u>

During the year two trustees claimed from expenses, travelling £1,142 (2019: £523), travel etc. £5,100 (2019: £5,100), Christmas lunch £1,814 (2019: £1,096) and post swim lunch £nil (2019: £230).

During the year insurance was purchased to indemnify the charitable company from loss arising from neglects or defaults of its trustees, employees or agents. The amount was £1,120 (2019: £1,120).

11. STAFF COSTS

There were no staff costs for the year ended 30 September 2020 nor for the year ended 30 September 2019. The average monthly number of employees during the year was £nil (2019: £nil)

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

12. INTANGIBLE FIXED ASSETS**The group and charity**

	Computer software £
COST	
Additions	<u>81,768</u>
At 30 September 2020	<u>81,768</u>
AMORTISATION	
Charge for the year	<u>27,256</u>
At 30 September 2020	<u>27,256</u>
NET BOOK VALUE	
At 30 September 2020	<u>54,512</u>
At 30 September 2019	<u>-</u>

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020****13. FIXED ASSET INVESTMENTS
The Charity**

	Shares in group undertakings £
COST	
At 1 October 2019 and 30 September 2020	<u>1</u>
NET BOOK VALUE	
At 30 September 2020	<u><u>1</u></u>
At 30 September 2019	<u><u>1</u></u>

There were no investment assets outside the UK.

The company investment at the balance sheet date in the share capital of companies include the following:

Swimathon (Trading) Limited

Nature of business: Sporting activities

	%
Class of share:	holding
Ordinary	100

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Trade debtors	-	311,736	-	-
Amounts owed by group undertaking	-	-	120,727	123,015
Other debtors	3,817	-	-	-
Prepayments and accrued income	95,016	229,123	78,631	14,121
	<u>98,833</u>	<u>540,859</u>	<u>199,358</u>	<u>137,136</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Trade creditors	50,802	233,000	49,722	-
Other creditors	5,310	8,957	5,310	-
Accruals and deferred income	55,375	300,398	55,375	65,618
	<u>111,487</u>	<u>542,355</u>	<u>110,407</u>	<u>65,618</u>

SWIMATHON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. MOVEMENT IN FUNDS

The Group

	At 1.10.19 £	Net movement in funds £	At 30.9.20 £
Unrestricted funds			
Free reserves	796,557	(201,526)	595,031
Funds retained within a non-charitable subsidiary	1	-	1
	<u>796,558</u>	<u>(201,526)</u>	<u>595,032</u>

The Charity

	At 1.10.19 £	Net movement in funds £	At 30.9.19 £
Unrestricted funds			
Free reserves	796,557	(201,526)	595,031
	<u>796,557</u>	<u>(201,526)</u>	<u>585,031</u>

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

The Group

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Free reserves	459,442	(660,968)	(201,526)
Funds retained within a non-charitable subsidiary	531,849	(531,849)	-
	<u>991,291</u>	<u>(1,192,817)</u>	<u>(201,526)</u>

The Charity

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Free reserves	459,442	(660,968)	(201,526)
	<u>459,442</u>	<u>(660,968)</u>	<u>(201,526)</u>

SWIMATHON FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020****17. FINANCIAL INSTRUMENTS**

The group and parent financial instruments comprise financial assets which comprise cash, debtors, and other debtors and financial liabilities which comprise trade creditors and other creditors, measured at amortised cost.

The charity has the following financial instruments:

	Note	31.09.20 £	31.09.19 £
Financial assets measured at amortised cost	15	604,907	<u>1,109,788</u>
Financial liabilities measured at amortised cost	16	111,487	<u>307,575</u>

18. RELATED PARTY DISCLOSURES**Trustees**

Transactions and balances during the year were as follows:

Related party	Trustee involved	Index	Total transactions		Balance outstanding	
			30.9.20 £	30.9.19 £	30.9.20 £	30.9.19 £
Clintons	P Stinson	1	116,092	108,779	-	-

Nature of relationship:

1 = Partner in related law firm - provision of professional legal and management services during the year

19. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £10.

20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.20 £	30.9.19 £
Net (expenses)/income for the reporting period (as per the statement of financial activities)	(201,526)	193,291
Adjustments for:		
Amortisation charges	27,256	-
Interest received	(109)	(173)
(Increase)/decrease in debtors	442,026	(157,897)
(Decrease)/increase in creditors	(430,868)	<u>(27,270)</u>
Net cash provided by operating activities	<u>163,221</u>	<u>7,951</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.19 £	Cash flow £	At 30.9.20 £
Net cash			
Cash at bank	<u>798,054</u>	<u>(244,880)</u>	<u>553,174</u>
	<u>798,054</u>	<u>(244,880)</u>	<u>553,174</u>
Total	<u>798,054</u>	<u>(244,880)</u>	<u>553,174</u>

SWIMATHON FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

22. POST BALANCE SHEET EVENTS

At the date of approval of these financial statements, the world is in the midst of the Covid-19 global pandemic with some countries only now starting to release lockdown measures introduced to contain the spread of the virus. The effect on the global economy is uncertain, but there is an expectation of recessions in economies across the globe. The safety and well-being of the Charity's staff and customers are the overriding priority. We are also doing all we can to ensure operational continuity. However, there is a certain risk that we have seen an adverse impact on the business sector. This affected income and cash flow. At this point of time the Charity's Trustees have reviewed the financial forecasts to the end of May 2022, and have a reasonable expectation that the Charity has adequate resources to continue in operational business for the foreseeable future. The extent and impact of this pandemic on the course of operations are not significantly affected.

SWIMATHON FOUNDATION**CONSOLIDATED DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	30.9.20	30.9.19
	£	£
INCOME		
Donations and legacies		
Donations	788,685	1,044,796
Gift aid	<u>42,401</u>	<u>89,907</u>
	831,086	1,134,703
Other trading activities		
Fundraising events	157,808	248,374
Investment income		
Deposit account interest	109	173
Other income	-	9,829
Other income	<u> </u>	<u> </u>
Total incoming resources	989,003	1,393,079
EXPENDITURE		
Raising donations and legacies		
Entry fees	157,808	164,956
Swimathon contribution	561,663	691,629
Marathon swims	<u>36,984</u>	<u> </u>
	756,455	856,585
Charitable activities		
Grants to institutions	131,803	94,687
Support costs		
Management		
Trustees' expenses	6,242	6,949
Grants administrative cost	64,269	55,000
Insurance	2,728	2,728
Subscription	19	1,500
Management and Other Consultancy Support Fees	18,904	13,063
Presidents fee	33,000	33,000
Professional Legal and Management Services	116,092	108,779
Recruitment expenses	-	2,592
Audit fees	10,200	10,200
Accountancy fees	14,400	14,400
Computer software	27,256	-
Sundry cost	<u>17</u>	<u> </u>
	293,127	248,211
Finance		
Bank charges and interest	442	305
Information technology		
Website costs and support	<u>8,702</u>	<u> </u>
Total resources expended	1,190,529	1,199,788
Net income	<u>(201,526)</u>	<u>193,291</u>