

**Proposal PC1, Resolution RA1 and Proposal PR1
Change of Membership/Financial Year**

Proposed by David Beattie, (Director, Company Board)

Seconded by John Rough, (Midland Council Member, SASA)

1. Introduction

Scottish Swimming currently has 3 reporting requirements:

- Membership Year – March to February
- Financial Year - November to October
- **sportscotland** Investment Year – April to March

The purpose of this proposal is to align both Scottish Swimming reporting periods to specifically align with the **sportscotland** investment year. We believe this will reduce some financial risks. The current position means that we are four or five months into our financial year before we find out what our investment from **sportscotland** is likely to be. This change will enable Scottish Swimming to present budgets with improved accuracy rather than produce budgets that are based on a number of assumptions. This in itself leads to a significant challenge as the budgets, once released are usually committed. We believe this proposal will enable Scottish Swimming to react to any changes to our funding when they happen which is critical for financial forecasting and planning.

This proposal also looks at changing our membership year which will move to a renewal date of the 1st of April. We have carried out a risk assessment on moving the membership year by one month and we believe there are no significant risks to our organisation, we have consulted with districts and disciplines on this proposal.

Please note that proposals PC1, resolution RA1 and proposal PR1 are all linked and to be voted on together at the AGM.

2. Proposed Changes

If the following changes are accepted then there will be a number of changes to our constitution which has been captured in the briefing note within the Annual Business Document on page 23. The main changes relate to the following:

- a. **The Membership year** will run from April to March each year. The impact on clubs and swim schools will be:
 - Affiliated clubs and swim schools will need to submit their annual returns by 30th April each year
 - Nominations for office and other appointments to be received by the Company by 15th June
 - Proposed alterations and notices of motions to the governance documentation to be received by the Company by 1st June each year
 - The fee payable will be due from April to March each year with the fee being reduced to 50% for the period October to January and 25% for the period February and March
 - Appropriate National Committee to submit notification on fees for approval by the Company Board by 31 July

- b. The date of SASA's AGM will change from February to September/October each year. The impact on Districts will be:
- The date of the Districts AGM will change (May/June being suggested)
 - There will be a change to the terms for the Vice President and the President. The President elected at the 2019 AGM will be in position through to September 2020.
 - The date of the Joint Board & Council meeting will change from November to June/July each year
 - The date committees will need to provide their list of meeting dates by will change from November to July each year
 - The date National Disciplines / Technical committees are required to submit regulations, annual report and nominal for chair will change from November to July each year
- c. **The Financial year** will run from April to March effective from the 1st April 2019. The impact on Districts will be:
- Districts financial year will change
 - Districts financial reports will need to be submitted to the Company by 31 July each year

If the proposal is accepted then there will be a timetable drawn up which will allow Clubs and Districts to prepare for these changes.

3. Impact on Reserves

As part of this process we have reviewed our accounting policy around our membership income. Our policy states the following:-

"Membership Fees are non-refundable and are recognised in full during the period in which subscription is received, except to the extent that any funds have been specifically budgeted for in later accounting periods"

The change to our financial year will mean a change to our accounting policy so that membership fees are recognised in the period that they relate to rather than when they are received. This means that we will need to apportion approximately 4 months of Membership subscriptions to support the extended period (1st November 2018 through to March 2019). This will result in a restatement of our reserves totalling c£100k. It should be noted that the impact on reserves is not due to a reduction in our income (cash) but simply due to the way in which we report against our membership income which has led, in the past, to our reserves being overstated. It is also worth noting that our accounting policy was devised at a time when our reserves were extremely low, and although our policy has been maintained throughout the years, it is now recognised that not all costs are covered by membership income in any financial year. By changing our accounting policy will correct the reserves position going forward.

4. Timeline

We have consulted on the proposals with our staff, members and partners during the past twelve months with further discussions planned at Districts pre AGM meetings. If the proposal is approved in February 2018 then Clubs and Districts will have eighteen months to make the change prior to the September 2020 AGM.

We would urge you to consider and vote for this proposal which will reduce the financial risk and strengthen our forecasting process.