

Company registration number: 09515855

Charity registration number: 1167366

Love Withington Baths

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

**The Moffatts Partnership LLP
Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN**

Love Withington Baths

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Love Withington Baths

Reference and Administrative Details

Trustees	Mr Paul David Smith, Managing Director Mr Saqib Mohammed Hussain Ms Alice De Araujo Mr David Robert Payne Ms Jennifer Claire Green Mr Dennis Anthony Shannon
Secretary	Mr William Brock Russell Pinnock
Charity Registration Number	1167366
Company Registration Number	09515855
Registered Office	The charity is incorporated in England & Wales. 30 Burton Road Withington Manchester M20 3EB
Auditor	The Moffatts Partnership LLP Progress House 396 Wilmslow Road Withington Manchester M20 3BN

Love Withington Baths

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2022.

Objectives and activities

Objects and aims

- To advance the education of the public, and the knowledge and appreciation of the heritage of South Manchester by the preservation of the buildings known as Withington Baths
- To advance education by the provision of facilities for physical education and swimming lessons at the Baths;
- To advance the health of the public by the provision of facilities for swimming, exercise and physical therapies at the Baths for the Intended Beneficiaries;
- To advance amateur sport by the provision of facilities for swimming and other sports at the Baths for the Intended Beneficiaries;
- To promote community development in an area of social and economic deprivation by the promotion of urban regeneration in particular in the areas of Withington and Old Moat, South Manchester, as follows:
 - the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms;
 - the maintenance, improvement or provision of public amenities;
 - the preservation of buildings or sites of historic or architectural importance.
- The provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities.
- To promote for the benefit of the inhabitants of Withington and Old Moat in South Manchester and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Strategy to achieve the objectives

Love Withington Baths took over the running of Withington Baths and Leisure Centre in June 2015 with a focus on providing varied services and affordable prices for the diverse community we serve. Last year (20/21) our operations were ravaged by Covid and the enforced lockdowns of our facilities. This year we were able to re-open in April and members returned in excellent numbers as did our after-school swimmers. The biggest challenge was the completion of the tendering for our major refurbishment project which had been originally valued at £1.1M but had escalated as a result of Covid and Brexit to £2.1M. This project is critical to the long term future of the Baths and we have agreed a loan of £1M with Manchester City Council to meet the shortfall.

Love Withington Baths

Trustees' Report

Achievements and performance

Operation of the facility.

We have:

- Continued to run external communications including social media
- Completed the refurbishment of our sauna to create a really high-quality space, equipped with showers

Provision of our core services.

We have:

- Provided gym services to approximately 2,500 members
- Provided swimming for 480 children through our schools swimming programme
- Provided after-school swimming for 850 children every week of the year
- Provided our Baby Swimming programme for over 100 Under 3's
- Delivered 1-2-1 swimming lessons for young people and adults
- Provided a Family Fun swim every Sunday morning

Additional services.

We have also:

- Secured in-principle agreement for a £1M loan from Manchester City Council towards the cost of refurbishing the Baths. This sits alongside the £0.9M grant provided by the National Lottery Heritage Fund
- Hosted 3 PARS classes for the NHS each week for an average of 10 people per class
- Delivered 2 classes per week for older people free of charge (Silver Circuits) and introduced 2 weekly table tennis sessions also targeting older people
- Re-opened Withington Works, providing managed workspace for local sole traders and 'work-from-homers'

Trustee review

This has possibly been our most positive year since taking over. Last year was extremely tough, having to deal with the impact of the Covid-19 pandemic and the enforced lockdowns. We headed into this year with huge amounts of uncertainty regarding the short-term operation of the facilities and with the prospect of a return to closure hanging over us. Instead, we have had a practically undisturbed 12-months and we stole a march on others by re-opening as soon as possible. Gym members returned and were back at pre-Covid levels by October. Swim-school members went from 550 pre-Covid to 850 by the year end and by February 2022 we were seeing 15,000 visits to the Baths each month.

We have increased our Reserves to £150,000 to ensure that we can meet all commitments if we were required to close the business at very short notice and make one monthly payment of our loan. Any surplus from operations is being set aside to provide a greater contingency for the refurbishment project which was started with a soft start in January 2022.

Public benefit

Love Withington Baths is a public benefit entity. All services provided are for the benefit of the public of Withington and surrounding areas.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Love Withington Baths

Trustees' Report

Financial review

The statement of financial activities is set out on page 11.

Total incoming resources amounted to £1,233,212 (2021- £522,831) with unrestricted income of £1,081,261 and restricted income of £151,951 (2021 - £NIL).

Total resources expended amounted to £811,868 (2021 - £604,864).

All of the expenditure related to unrestricted funds. Transfers between funds relates to the release of restrictions on grants received once these have been expended on the capital projects that the restricted grants have been received for.

The total net result for the year was a surplus of £421,344 (2021 - deficit £82,033).

Total retained funds carried forward at the end of the year amounted to £1,099,912 (2021 - £678,568), all funds being unrestricted.

Policy on reserves

The Trustees objective is to maintain a level of reserves which ensures that all commitments can be met if the business was required to close at short notice. The trustees have set this level at £150,000 which has been achieved during this year.

Funds in deficit

There are no funds in deficit.

Principal funding sources

The principle funding sources is the income received for the services provided by the leisure facilities and grants received for the capital projects.

Plans for future periods

Aims and key objectives for future periods

Future developments in 2022/23

Our main priority is the completion of the current refurbishment project. This is a complex project with significant potential for escalation in costs due to the continued negative impact to supply chains from Brexit and Covid as well as the known risk of identifying further complications once the building work starts.

We also plan to agree the terms of a long-term lease. This is driven by the need for security of tenure on our building for the National Lottery but it will be important for the wider security of the organisation. Alongside this, we will be agreeing the terms of a £1M loan with the Council.

In terms of our services, the focus is on retaining the excellent numbers we have been able to achieve this year. That won't be easy with the building work. We will continue to promote Withington Works and expect to increase usage from previous years.

We will be increasing staff salaries to remain in line with the Living Wage and we will continue to monitor utility prices, although we remain tied in for a further 1 and 2 years.

Love Withington Baths

Trustees' Report

Going concern

The trustees are satisfied that the charity remains a going concern for a period in excess of twelve months.

Structure, governance and management

Nature of 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.

Major risks and management of those risks

General Risk Policy

The Trustees regularly review all areas of activities to identify risks to the charity and potential risk areas. The trustees have established appropriate levels of reporting and controls to mitigate both identified and potential risks.

Creditor payment policy

Invoices are paid by direct debit or usually within two weeks of receipt of invoice.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

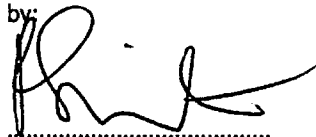
The auditors The Moffatts Partnership LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 22 December 2022 and signed on its behalf

by:



.....
Mr Paul David Smith
Managing Director and
Trustee

Love Withington Baths

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Love Withington Baths 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

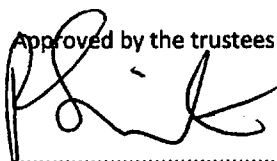
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 in business.

The trustees are responsible for keeping proper accounting records that can 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustees of the charity on 22 December 2022 and signed on its behalf by:



.....
Mr Paul David Smith
Managing Director and
Trustee

Love Withington Baths

Independent Auditor's Report to the Members of Love Withington Baths

Opinion

We have audited the financial statements of Love Withington Baths (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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; 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 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.

Love Withington Baths

Independent Auditor's Report to the Members of Love Withington Baths

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.

Opinion on other matter 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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Love Withington Baths

Auditor 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 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity, we identified that the principle risks of non-compliance with laws and regulations related to breaches of the legal and regulatory framework that the charity operates in. We considered the extent to which non-compliance might have a material effect on the financial statements. The key laws and regulations we considered in this context included Charities Commission, employment law and health and safety.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the charities legal advisors.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with key management and the trustees and from our knowledge and experience of the sector, we assessed the extent of compliance and the audit team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;

Love Withington Baths

Independent Auditor's Report to the Members of Love Withington Baths

- investigated the rationale behind significant or unusual transactions.

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



John Saxon (Senior Statutory Auditor)

For and on behalf of The Moffatts Partnership LLP, Statutory Auditor

Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN

22 December 2022

Love Withington Baths

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £ (As restated)
Income and Endowments from:					
Donations and legacies	3	102,164	151,951	254,115	169,766
Charitable activities	4	978,979	-	978,979	352,735
Investment income	5	118	-	118	330
Total income		<u>1,081,261</u>	<u>151,951</u>	<u>1,233,212</u>	<u>522,831</u>
Expenditure on:					
Charitable activities	6	<u>(811,868)</u>	<u>-</u>	<u>(811,868)</u>	<u>(604,864)</u>
Total expenditure		<u>(811,868)</u>	<u>-</u>	<u>(811,868)</u>	<u>(604,864)</u>
Net income/(expenditure)		269,393	151,951	421,344	(82,033)
Transfers between funds		<u>151,951</u>	<u>(151,951)</u>	<u>-</u>	<u>-</u>
Net movement in funds		421,344	-	421,344	(82,033)
Reconciliation of funds					
Total funds brought forward		<u>678,568</u>	<u>-</u>	<u>678,568</u>	<u>760,601</u>
Total funds carried forward	20	<u><u>1,099,912</u></u>	<u><u>-</u></u>	<u><u>1,099,912</u></u>	<u><u>678,568</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 20.

The notes on pages 14 to 27 form an integral part of these financial statements.

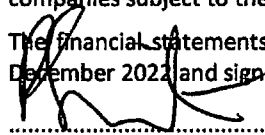
Love Withington Baths

(Registration number: 09515855)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £ (As restated)
Fixed assets			
Tangible assets	15	482,271	330,159
Current assets			
Debtors	16	62,250	1,749
Cash at bank and in hand	17	<u>658,698</u>	<u>385,696</u>
		720,948	387,445
Creditors: Amounts falling due within one year	18	<u>(103,307)</u>	<u>(39,036)</u>
Net current assets		<u>617,641</u>	<u>348,409</u>
Net assets		<u>1,099,912</u>	<u>678,568</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,099,912</u>	<u>678,568</u>
Total funds	20	<u>1,099,912</u>	<u>678,568</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 11 to 27 were approved by the trustees, and authorised for issue on 22 December 2022 and signed on their behalf by:


.....
Mr Paul David Smith
Managing Director and
Trustee

The notes on pages 14 to 27 form an integral part of these financial statements.

Love Withington Baths

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income/(expenditure)		421,344	(82,033)
Adjustments to cash flows from non-cash items			
Depreciation		56,632	68,223
Investment income		<u>(118)</u>	<u>(330)</u>
		477,858	(14,140)
Working capital adjustments			
(Increase)/decrease in debtors	16	(60,501)	13
Increase/(decrease) in creditors	18	<u>81,011</u>	<u>(6,515)</u>
Net cash flows from operating activities		<u>498,368</u>	<u>(20,642)</u>
Cash flows from investing activities			
Interest received		118	330
Acquisitions of tangible assets		<u>(208,744)</u>	<u>(105,702)</u>
Net cash flows from investing activities		(208,626)	(105,372)
Cash flows from financing activities			
Repayment of other borrowings		<u>(16,740)</u>	<u>(18,039)</u>
Net increase/(decrease) in cash and cash equivalents		273,002	(144,053)
Cash and cash equivalents at 1 April		<u>385,696</u>	<u>529,749</u>
Cash and cash equivalents at 31 March		<u>658,698</u>	<u>385,696</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 14 to 27 form an integral part of these financial statements.

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

30 Burton Road
Withington
Manchester
M20 3EB

These financial statements were authorised for issue by the trustees on 22 December 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Love Withington Baths meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable activities

Income from charitable activities includes any income received which is a payment for goods and services provided for the benefit of the charity's beneficiaries.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity 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 of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 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.

Tangible fixed assets

Individual fixed assets costing £1.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Improvements to property	15% reducing balance
Furniture, fittings and equipment	25% reducing balance

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £ (As restated)
Donations and legacies;				
Donations from individuals	4,288	-	4,288	15,700
Grants, including capital grants;				
Government grants	<u>97,876</u>	<u>151,951</u>	<u>249,827</u>	<u>154,066</u>
	<u>102,164</u>	<u>151,951</u>	<u>254,115</u>	<u>169,766</u>

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Membership Fees	511,549	511,549	185,793
Swimming pool and swimming lessons	369,477	369,477	158,779
Gym, PT and other classes	63,465	63,465	-
Room hire	25,157	25,157	5,806
Shop and Cafe income	9,331	9,331	2,357
	<u>978,979</u>	<u>978,979</u>	<u>352,735</u>

5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Interest receivable and similar income; Interest receivable on bank deposits	<u>118</u>	<u>118</u>	<u>330</u>

6 Expenditure on charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Instructors and classes	51,767	51,767	19,134
Shop and Cafe purchases	6,835	6,835	723
Staff costs	426,247	426,247	365,191
Rates and water	19,645	19,645	6,069
Light, power and heating	84,634	84,634	42,064
Insurance	12,528	12,528	9,957
Cleaning	39,394	39,394	4,610
Equipment	8,100	8,100	1,354
Repairs and maintenance	29,728	29,728	42,060
Operating Lease Payments	1,311	1,311	5,244
Licenses	2,233	2,233	-
Depreciation	56,632	56,632	68,223
	<u>739,054</u>	<u>739,054</u>	<u>564,629</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

In addition to the expenditure analysed above, there are also governance costs of £19,670 (2021 - £21,343) which relate directly to charitable activities. See note 7 for further details.

7 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Payment collection service fees	14,178	14,178	-
IT software and consumables	8,654	8,654	5,893
Advertising	6,150	6,150	2,308
Telephone	2,025	2,025	1,469
Printing, postage and stationery	1,541	1,541	97
General expenses	8,723	8,723	3,829
Travel & Subsistence	601	601	-
Bank fees	487	487	2,223
Loan interest	853	853	3,073
Consulting	3,600	3,600	-
Subscriptions	6,332	6,332	-
	<u>53,144</u>	<u>53,144</u>	<u>18,892</u>

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £ (As restated)
Audit fees			
Audit of the financial statements	6,720	6,720	-
Other fees paid to auditors	7,848	7,848	-
Independent examiner fees			
Other fees paid to examiners	-	-	12,504
Legal fees	5,102	5,102	8,839
	<u>19,670</u>	<u>19,670</u>	<u>21,343</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

8 Government grants

Grants have been received to fund the capital restoration project of the buildings and restart grants after the Covid pandemic.

The amount of grants recognised in the financial statements was £249,827 (2021 - £154,066).

9 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2022 £	2021 £
Audit fees	6,720	-
Depreciation of fixed assets	<u>56,632</u>	<u>68,223</u>

10 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Mr Dennis Anthony Shannon

Mr Dennis Anthony Shannon received remuneration of £51,369 (2021: £48,869) and £601 (2021: £Nil) of expenses were reimbursed to Mr Dennis Anthony Shannon during the year.

Mr Paul David Smith

Mr Paul David Smith received remuneration of £9,477 (2021: £9,270) during the year.

No trustees have received any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £ (As restated)
Staff costs during the year were:		
Wages and salaries	394,332	337,179
Social security costs	24,549	20,713
Pension costs	6,961	5,865
Other staff costs	<u>405</u>	<u>1,434</u>
	<u>426,247</u>	<u>365,191</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Average employees	<u>29</u>	<u>24</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

14 (2021 - 14) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £6,961 (2021 - £5,865).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £60,846 (2021 - £58,139).

The Facility Manager, as the highest paid member of staff, received benefits totalling £51,369 (2021 - £48,869).

12 Independent examiner's remuneration

	2022 £	2021 £
Other fees to examiners		
All other services	-	12,504

13 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements		
	6,720	-
Other fees to auditors		
All other non-audit services	7,848	-

14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2021	443,813	25,486	469,299
Additions	<u>203,486</u>	<u>5,258</u>	<u>208,744</u>
At 31 March 2022	<u>647,299</u>	<u>30,744</u>	<u>678,043</u>
Depreciation			
At 1 April 2021	126,405	12,735	139,140
Charge for the year	<u>52,892</u>	<u>3,740</u>	<u>56,632</u>
At 31 March 2022	<u>179,297</u>	<u>16,475</u>	<u>195,772</u>
Net book value			
At 31 March 2022	<u>468,002</u>	<u>14,269</u>	<u>482,271</u>
At 31 March 2021	<u>317,408</u>	<u>12,751</u>	<u>330,159</u>

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £468,002 (2021 - £317,408) in respect of leaseholds.

16 Debtors

	2022 £	2021 £
Prepayments	3,430	1,749
Accrued income	<u>58,820</u>	<u>-</u>
	<u>62,250</u>	<u>1,749</u>

17 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	204	-
Cash at bank	<u>658,494</u>	<u>385,696</u>
	<u>658,698</u>	<u>385,696</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

18 Creditors: amounts falling due within one year

	2022 £	2021 £ (As restated)
Trade creditors	58,654	114
Other loans	-	16,740
Other taxation and social security	7,194	19,406
Other creditors	1,449	1,341
Accruals	36,010	1,435
	<u>103,307</u>	<u>39,036</u>

19 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £6,961 (2021 - £5,865).

20 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General funds	678,568	1,081,261	(811,868)	151,951	1,099,912
Restricted funds					
Heritage Lottery Fund	-	151,951	-	(151,951)	-
Total funds	<u>678,568</u>	<u>1,233,212</u>	<u>(811,868)</u>	<u>-</u>	<u>1,099,912</u>
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £ (As restated)
Unrestricted funds					
<i>General</i>					
General funds	<u>760,601</u>	<u>522,831</u>	<u>(604,864)</u>	<u>-</u>	<u>678,568</u>

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

The specific purposes for which the funds are to be applied are as follows:

National Lottery Heritage Fund - Grants are received from the Heritage Fund specifically for the repairs and refurbishment of Withington Baths.

Transfers between funds relate to the release of the restrictions on grants received for the repairs and refurbishments once these repairs have been carried out and capitalised under Property Improvements.

21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	482,271	-	482,271
Current assets	678,823	42,125	720,948
Current liabilities	(61,182)	(42,125)	(103,307)
Total net assets	<u>1,099,912</u>	<u>-</u>	<u>1,099,912</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £ (As restated)
Tangible fixed assets	330,159	-	330,159
Current assets	387,445	-	387,445
Current liabilities	(39,036)	-	(39,036)
Total net assets	<u>678,568</u>	<u>-</u>	<u>678,568</u>

22 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	385,696	273,002	658,698
Debt due within one year	(16,740)	16,740	-
Net debt	<u>368,956</u>	<u>289,742</u>	<u>658,698</u>
	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	529,749	(144,053)	385,696
Debt due within one year	(18,039)	1,299	(16,740)
Debt due after more than one year	(16,740)	16,740	-
Net debt	<u>494,970</u>	<u>(126,014)</u>	<u>368,956</u>

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

23 Related party transactions

During the year the charity made the following related party transactions:

David Payne

(David Payne is a trustee)

David Payne is providing project management\planning work Re Withington Baths refurbishment & transformation project in a professional capacity. During the year he has been paid £2,025 (2021 - £nil) for services supplied. At the balance sheet date the amount due to/from David Payne was £Nil (2021 - £Nil).

Glaisyers

(William Pinnock, the company secretary, is a partner at the above firm of solicitors)

Legal services have been provided to the charity during the year. Amounts paid to Glaisyers in the year are £2,204 (2021 - £2,000). At the balance sheet date the amount due to/from Glaisyers was £Nil (2021 - £Nil).

24 Restatement

The financial statements have been restated for disclosures and to correct the opening position of the restricted funds at the start of the previous period.

Balance Sheet at 1 April 2020

	Note	As originally reported £	Restatement £	As restated £
Fixed assets				
Tangible assets		292,680	-	292,680
Current assets				
Debtors		1,762	-	1,762
Cash at bank and in hand		529,749	-	529,749
		531,511	-	531,511
Creditors: Amounts falling due within one year		(46,850)	-	(46,850)
Net current assets		484,661	-	484,661
Total assets less current liabilities		777,341	-	777,341
Creditors: Amounts falling due after more than one year		(16,740)	-	(16,740)
Net assets		760,601	-	760,601
Funds of the charity				
Unrestricted funds		692,751	67,850	760,601
Restricted funds		67,850	(67,850)	-
Total funds		760,601	-	760,601

Love Withington Baths

Notes to the Financial Statements for the Year Ended 31 March 2022

Balance Sheet at 31 March 2021

	Note	As originally reported £	Restatement £	As restated £
Fixed assets				
Tangible assets		330,159	-	330,159
Current assets				
Debtors		1,749	-	1,749
Cash at bank and in hand		385,696	-	385,696
		387,445	-	387,445
Creditors: Amounts falling due within one year		(39,036)	-	(39,036)
Net current assets		348,409	-	348,409
Net assets		678,568	-	678,568
Funds of the charity				
Unrestricted funds		626,522	52,046	678,568
Restricted funds		52,046	(52,046)	-
Total funds		678,568	-	678,568

Statement of Financial Activities for the year ended 31 March 2021

	Note	As originally reported £	Restatement £	As restated £
Income and Endowments from:				
Donations and legacies		15,700	154,066	169,766
Charitable activities		-	352,735	352,735
Other trading activities		506,801	(506,801)	-
Investment income		330	-	330
Total income		522,831	-	522,831
Expenditure on:				
Charitable activities		(604,864)	-	(604,864)
Net expenditure		(82,033)	-	(82,033)
Net movement in funds		(82,033)	-	(82,033)