

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 2023

The Moffatts Partnership LLP
Suite 1.1, First Floor
Jackson House
Sibson Road
Sale
M33 7RR

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
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
	Suite 1.1, First Floor
	Jackson House
	Sibson Road
	Sale M33 7RR

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 and auditors' report of the charitable company for the year ended 31 March 2023.

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.

Love Withington Baths

Trustees' Report

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. Eight years on we are now well-established facility which has an increasingly positive impact on the people who use our services.

This year has been dominated by the construction phase of the refurbishment project which was initiated with a soft start in 21/22. The project started with the budget set at £2.1M and a key challenge was dealing with the increase in that budget as problems were identified that it had not been possible to foresee during the design phase. The project continued into 23/24 and the total is approaching £2.8M. These additional funds were met largely from our own reserves, which is testament to the viability of the business.

We continued to deliver all of our services during the refurbishment which was no mean feat. The crash deck was in the pool for the whole year as was external and internal scaffolding. Children were largely oblivious but this created significant challenges for heating and lighting and, more latterly, for changing. All the challenges were more than worth it though as we now have a beautiful building with all heritage features revealed, restored or replaced. The feedback from members and community stakeholders has been hugely positive.

From a business point of view, the works is critical for two reasons. Firstly, it embeds our unique point of difference with other local leisure facilities. Secondly, it addresses the most pressing risk to the business which was of a forced closure due to the pool becoming unsafe. We were aware when we took over that the roof would need to be repaired at some point and repairs, closures and patching had been carried out more frequently until the construction started. We are not completely out of the woods here, as the gym roof will also need to be repaired at some point but the gym roof is a) safe and b) not visible to members.

Love Withington Baths

Trustees' Report

Achievements and performance

Provision of our core leisure services.

- Provided gym services to approximately 2,500 members
- Provided approximately 50 classes each week (only one studio was available throughout the year)
- Provided swimming for 480 children through our schools swimming programme
- Provided after-school swimming for 950 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

- Run heritage tours and workshops for young people and adults
- Established a volunteering group to maintain and enhance the garden
- Grown Withington Works so that it now has over 20 people using the facilities each month – some on a permanent basis
- Operated our community cafe
- Continued to provide a room for a physiotherapy business which is very busy
- Delivered five lifeguard training courses
- Developed and implemented a scheme to train Swim Assistants to support our after school programme
- 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 2 weekly table tennis sessions also targeting older people

Additional achievements:

- Secured a 30-year lease with the Council which was a requirement of the loan package
- Provided all necessary information to meet the conditions precedent and subsequent to access a £1M loan from Manchester City Council towards the refurbishment costs. The facility term is 25 years and repayments will start in 23/24
- Secured a further £80k from Oglesby Foundation and the Garfield Weston Foundation towards the refurbishment
- Significantly upgraded our marketing and promotional activities across all platforms, boosting engagement and our profile
- Become an accredited Real Living Wage employer

Love Withington Baths

Trustees' Report

Trustee review

This has been a challenging year, but we have again risen to meet those challenges. From a Board point of view these issues largely concerned the oversight of the highly complex refurbishment project and, specifically, how to deal with rapidly escalating costs. Ultimately, this led to decisions to reduce the scope of the work rather than to reduce the standards of the work. At the time of writing (December 2023) this project is now complete - subject to snagging - and has been delivered to standards befitting a heritage building. The building looks beautiful.

Operationally, challenges have been about continuing to deliver high quality leisure services whilst the building work was on-going. That we were able to increase membership numbers during the period is testament to the success of the whole team.

23/24 promises to be very exciting as we reveal and celebrate the refurbished spaces and increase the services we provide. From a leisure point of view this will be seen in an extended class programme but we will also be increasing our heritage, volunteering and community activities as we grow our role as a hub for local people.

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.

Financial review

Total incoming resources amounted to £1,904,729 (2021/22 - £1,232,212) with unrestricted income of £1,291,737 and restricted income of £612,992.

Total resources expended amounted to £909,979 (2021/22 - £811,868).

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 an operating surplus of £994,750 (2021/22 £421,344). We received grants for refurbishment of £612,992 with the associated costs moved straight on to the balance sheet under fixed assets. Fixed assets are now £2,114,301 compared to £482,272 in March 2022.

Total retained funds carried forward at the end of the year amounted to £2,094,662 (2021/22 - £1,099,913), 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.

Love Withington Baths

Trustees' Report

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

The initial priority for 2023/24 was the finalisation of the refurbishment project which includes the replacement of the poolside cubicles. This was completed by the end of the Summer. More broadly, the aim is to restore our leisure programme back to pre-refurbishment levels and this relates in particular to our class programme. The target here is for 120 classes per week. We are also aiming to hit the 3,000 mark for memberships which would be our highest ever and also to exceed 1,000 young people on our swimming programme. Also our highest ever.

The forecast revenue for 23/24 is £1,168,400 with £1,020,422 of costs and a resulting surplus of £147,978. This includes the repayment of both interest and the principal sum borrowed from Manchester City Council. The expenditure forecast allows for the significant increase in our electricity price from June 23 as we reached the end of our current deal. Our gas contract expires in June 24 and this will further increase our costs from then on. For 24/25 onwards, we are therefore forecasting a surplus of around or slightly above the £100,000 mark each year. The surplus will be used to fund subsequent capital works and investments in plant.

Top of the list for capital works, is the repair and restoration of the gym roof with an estimated cost of around £350,000. This is scheduled for June – August 2024. We are also expecting to invest in replacement pool filters and boilers during the 5 years.

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.

Love Withington Baths

Trustees' Report

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.

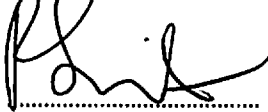
Disclosure of information to auditor

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.

The annual report was approved by the trustees of the charity on 6 December 2023 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 6 December 2023 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 2023, 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 8), 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.

Love Withington Baths

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;
- investigated the rationale behind significant or unusual transactions.

Love Withington Baths

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

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

Suite 1.1, First Floor
Jackson House
Sibson Road
Sale
M33 7RR

6 December 2023

Love Withington Baths

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	73,828	612,992	686,820	254,115
Charitable activities	4	1,217,556	-	1,217,556	978,979
Investment income	5	353	-	353	118
Total income		<u>1,291,737</u>	<u>612,992</u>	<u>1,904,729</u>	<u>1,233,212</u>
Expenditure on:					
Raising funds		1,363	-	1,363	-
Charitable activities	6	<u>(911,342)</u>	<u>-</u>	<u>(911,342)</u>	<u>(811,868)</u>
Total expenditure		<u>(909,979)</u>	<u>-</u>	<u>(909,979)</u>	<u>(811,868)</u>
Net income		381,758	612,992	994,750	421,344
Transfers between funds		<u>612,992</u>	<u>(612,992)</u>	<u>-</u>	<u>-</u>
Net movement in funds		994,750	-	994,750	421,344
Reconciliation of funds					
Total funds brought forward		<u>1,099,912</u>	<u>-</u>	<u>1,099,912</u>	<u>678,568</u>
Total funds carried forward	21	<u>2,094,662</u>	<u>-</u>	<u>2,094,662</u>	<u>1,099,912</u>

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

The funds breakdown for 2022 is shown in note 21.

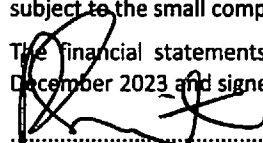
The notes on pages 16 to 30 form an integral part of these financial statements.

Love Withington Baths
(Registration number: 09515855)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	2,114,300	482,271
Current assets			
Stocks	15	687	-
Debtors	16	24,218	62,250
Cash at bank and in hand	17	<u>440,805</u>	<u>658,698</u>
		465,710	720,948
Creditors: Amounts falling due within one year	18	<u>(93,412)</u>	<u>(103,307)</u>
Net current assets		<u>372,298</u>	<u>617,641</u>
Total assets less current liabilities		2,486,598	1,099,912
Creditors: Amounts falling due after more than one year	19	<u>(391,936)</u>	<u>-</u>
Net assets		<u><u>2,094,662</u></u>	<u><u>1,099,912</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>2,094,662</u>	<u>1,099,912</u>
Total funds	21	<u><u>2,094,662</u></u>	<u><u>1,099,912</u></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 13 to 30 were approved by the trustees, and authorised for issue on 6 December 2023 and signed on their behalf by:



Mr Paul David Smith
Managing Director and
Trustee

The notes on pages 16 to 30 form an integral part of these financial statements.

Love Withington Baths

Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		993,727	421,344
Adjustments to cash flows from non-cash items			
Depreciation		75,558	56,632
Investment income		<u>(353)</u>	<u>(118)</u>
		1,068,932	477,858
Working capital adjustments			
Increase in stocks	15	(687)	-
Decrease/(increase) in debtors	16	38,838	(60,501)
(Decrease)/increase in creditors	18	<u>(50,933)</u>	<u>81,011</u>
Net cash flows from operating activities		<u>1,056,150</u>	<u>498,368</u>
Cash flows from investing activities			
Interest received		353	118
Acquisitions of tangible assets		<u>(1,706,563)</u>	<u>(208,744)</u>
Net cash flows from investing activities		(1,706,210)	(208,626)
Cash flows from financing activities			
Repayment of other borrowings		<u>432,167</u>	<u>(16,740)</u>
Net (decrease)/increase in cash and cash equivalents		(217,893)	273,002
Cash and cash equivalents at 1 April		<u>658,698</u>	<u>385,696</u>
Cash and cash equivalents at 31 March		<u>440,805</u>	<u>658,698</u>

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

The notes on pages 16 to 30 form an integral part of these financial statements.

Love Withington Baths

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

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 6 December 2023.

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 2023

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Love Withington Baths

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

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.

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.

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.

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

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

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.

Love Withington Baths

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

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.

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.

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 2023

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 2023 £	Total 2022 £
Donations and legacies;				
Donations from individuals	2,328	-	2,328	4,288
Grants, including capital grants;				
Government grants	71,500	612,992	684,492	249,827
	<u>73,828</u>	<u>612,992</u>	<u>686,820</u>	<u>254,115</u>

Love Withington Baths

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

4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Membership Fees	694,399	694,399	511,549
Swimming pool and swimming lessons	457,331	457,331	369,477
Gym, PT and other classes	17,604	17,604	63,465
Room hire	33,382	33,382	25,157
Shop and Cafe income	14,841	14,841	9,331
	<u>1,217,557</u>	<u>1,217,557</u>	<u>978,979</u>

5 Investment Income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>353</u>	<u>353</u>	<u>118</u>

Love Withington Baths

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

6 Expenditure on charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Instructors and classes	84,933	84,933	51,767
Shop and Cafe purchases	11,592	11,592	6,835
Staff costs	459,405	459,405	426,247
Rates and water	21,142	21,142	19,645
Light, power and heating	81,099	81,099	84,634
Insurance	15,548	15,548	12,528
Cleaning	26,122	26,122	39,394
Equipment	2,071	2,071	8,100
Repairs and maintenance	36,907	36,907	29,728
Operating Lease Payments	-	-	1,311
Depreciation	75,899	75,899	56,632
Licenses	3,073	3,073	2,233
Networking & Entertainment	769	769	-
	<u>818,560</u>	<u>818,560</u>	<u>739,054</u>

In addition to the expenditure analysed above, there are also governance costs of £22,853 (2022 - £19,670) which relate directly to charitable activities. See note 7 for further details.

Love Withington Baths

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

7 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Payment collection service fees	11,951	11,951	14,178
IT software and consumables	11,023	11,023	8,654
Advertising	13,583	13,583	6,150
Telephone	1,969	1,969	2,025
Printing, postage and stationery	3,149	3,149	1,541
General expenses	5,737	5,737	8,723
Travel & Subsistence	1,017	1,017	601
Bank fees	104	104	487
Loan interest	6,580	6,580	853
Consulting	8,281	8,281	3,600
Subscriptions	5,513	5,513	6,332
	<u>68,907</u>	<u>68,907</u>	<u>53,144</u>

Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Audit fees			
Audit of the financial statements	6,000	6,000	6,720
Other fees paid to auditors	10,008	10,008	7,848
Legal fees	6,504	6,504	5,102
Depreciation, amortisation and other similar costs	341	341	-
	<u>22,853</u>	<u>22,853</u>	<u>19,670</u>

Love Withington Baths

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

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 £684,492 (2022 - £249,827).

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Audit fees	6,000	6,720
Depreciation of fixed assets	<u>75,899</u>	<u>56,632</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 £49,274 (2022: £51,369) and £Nil (2022: £601) of expenses were reimbursed to Mr Dennis Anthony Shannon during the year.

Mr Paul David Smith

Mr Paul David Smith received remuneration of £10,121 (2022: £9,477) 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:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	422,058	394,332
Social security costs	26,258	24,549
Pension costs	7,264	6,961
Other staff costs	<u>3,825</u>	<u>405</u>
	<u>459,405</u>	<u>426,247</u>

Love Withington Baths

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

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:

	2023 No	2022 No
Average employees	<u>35</u>	<u>29</u>

18 (2022 - 14) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £7,264 (2022 - £6,961).

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 £59,395 (2022 - £60,846).

The chief executive officer, as the highest paid member of staff, received benefits totalling £49,274 (2022 - £51,369).

12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>6,000</u>	<u>6,720</u>
Other fees to auditors		
All other non-audit services	<u>10,008</u>	<u>7,848</u>

13 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 2023

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2022	647,300	30,745	678,045
Additions	<u>1,699,399</u>	<u>8,528</u>	<u>1,707,927</u>
At 31 March 2023	<u>2,346,699</u>	<u>39,273</u>	<u>2,385,972</u>
Depreciation			
At 1 April 2022	179,298	16,475	195,773
Charge for the year	<u>70,197</u>	<u>5,702</u>	<u>75,899</u>
At 31 March 2023	<u>249,495</u>	<u>22,177</u>	<u>271,672</u>
Net book value			
At 31 March 2023	<u>2,097,204</u>	<u>17,096</u>	<u>2,114,300</u>
At 31 March 2022	<u>468,002</u>	<u>14,270</u>	<u>482,272</u>

Included within the net book value of land and buildings above is £Nil (2022 - £Nil) in respect of freehold land and buildings and £2,097,204 (2022 - £468,002) in respect of leaseholds.

15 Stock

	2023 £
Stocks	<u>687</u>

16 Debtors

	2023 £	2022 £
Trade debtors	3,483	-
Prepayments	1,964	3,430
Accrued income	17,965	58,820
Other debtors	<u>806</u>	<u>-</u>
	<u>24,218</u>	<u>62,250</u>

Love Withington Baths

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

17 Cash and cash equivalents

	2023	2022
	£	£
Cash on hand	2,395	204
Cash at bank	438,410	658,494
	<u>440,805</u>	<u>658,698</u>

18 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	40,231	-
Trade creditors	4,424	58,654
Other taxation and social security	15,318	7,194
Other creditors	1,437	1,449
Accruals	32,002	36,010
	<u>93,412</u>	<u>103,307</u>

19 Creditors: amounts falling due after one year

	2023
	£
Bank loans	<u>391,936</u>

20 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 £7,264 (2022 - £6,961).

Love Withington Baths

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

21 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General funds	1,099,912	1,291,737	(909,979)	612,992	2,094,662
Restricted funds					
Heritage Lottery Fund	-	612,992	-	(612,992)	-
Total funds	<u>1,099,912</u>	<u>1,904,729</u>	<u>(909,979)</u>	<u>-</u>	<u>2,094,662</u>
	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					
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>

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.

Love Withington Baths

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

22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	2,113,278	-	2,113,278
Current assets	465,710	-	465,710
Current liabilities	(93,412)	-	(93,412)
Creditors over 1 year	(391,936)	-	(391,936)
Total net assets	2,093,640	-	2,093,640

	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	1,099,912	-	1,099,912

23 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	658,698	(215,824)	442,874
Net debt	658,698	(215,824)	442,874

	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	368,956	289,742	658,698

Love Withington Baths

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

24 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 £3,881 (2022 - £2,025) for services supplied. At the balance sheet date the amount due to/from David Payne was £Nil (2022 - £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 £nil (2022 - £2,204). At the balance sheet date the amount due to/from Glaisyers was £Nil (2022 - £Nil).