

Company Registration Number 2841292
Charity Registration Number 1026351



Manchester Victoria Baths Trust

Financial Statements
for the year ended 31st March 2017

MANCHESTER VICTORIA BATHS TRUST

Structure, reference and administrative details

As at 31st March 2017

Status	Manchester Victoria Baths Trust is a company limited by guarantee incorporated on 2nd August 1993, which registered as a charity on 22nd September 1993.
Name	The Manchester Victoria Baths Trust, sometimes referred to as the Victoria Baths Trust
Charity Number	1026351
Company Number	2841292
Principal & Registered Office	Victoria Baths, Hathersage Road, Chorlton on Medlock, Manchester M13 0FE

Members of the Council of Management at 31st March 2017:

	Appointed	Re-elected	Notes
Mike Franks	May 2003	Dec 2016	
Jill Earnshaw	March 2013	Dec 2015	Chair
Janet Slade	March 2014	Dec 2016	
Barry Johnson	Dec 2014	Dec 2016	
Juliette Bradbury	March 2015	Dec 2015	Seeking re-election Dec 2017
Amy Lewis	April 2015	Dec 2015	Seeking re-election Dec 2017
Alex Roy	April 2015	Dec 2015	
Ian Bramham	Dec 2015		Seeking re-election Dec 2017
David Bloor	Dec 2015		Resigned May 2017
Jenna Ashton	March 2016	Dec 2016	Resigned Aug 2017
Malcolm Knight	March 2016	Dec 2016	
Nigel Gloudon	June 2016	Dec 2016	

Members of the Council of Management appointed since 31st March 2017:

	Appointed	Re-elected	Notes
Matthew Holden	April 2017		Seeking re-election Dec 2017
Sarah Acton	Aug 2017		Seeking re-election Dec 2017

Members of the Council of Management who served in the year:

	Appointed	Re-elected	Notes
Chandan Coverley	Feb 2006	Dec 2015	Resigned Dec 2016
Pam Schwarz	June 2011	Nov 2013	Resigned July 2016

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As at 31st March 2017

Company Secretary	Gill Wright
Principal members of staff	Gill Wright (Project Development Manager) Elizabeth Sibbering (Operations Manager)
Bank	The Co-operative Bank plc, Delf House, Southway, Skelmersdale WN8 6WT
Independent Examiner	Paul Cowham, FCA DChA, The Green Fish Resource Centre, 46-50 Oldham Street, Manchester M4 1LE

Trustees' Annual Report

For the year ended 31st March 2017

Governance

The Trust is governed by Memorandum and Articles of Association. The governing body is the General Meeting of members of the Trust. Anyone can apply for membership of the Trust. Applications are considered by the Council of Management. At 31st March 2017 there were 48 members of the Trust.

Decision making

The Council of Management is the key decision making body of the Trust. Meetings are held every six weeks at Victoria Baths. Day to day management is delegated to the principal members of staff – the Project Development Manager, Gill Wright and the Operations Manager, Elizabeth Sibbering

Procedures, policies and programmes of work are monitored by the Council of Management. Members of staff prepare an annual budget for review and adoption by the Council of Management and progress is then reported via periodic accounts reports.

The Council of Management has five permanent sub-committees:

- Finance Committee
- Building Committee
- Staffing, Volunteering and Governance Committee
- Fundraising Committee
- Public Engagement Committee

During the year there were also two time-limited Task Groups; a Trustee Recruitment Task Group and a CAT/Operator Task Group to which specific areas of work were delegated. Where sub-committees or Task Groups have decision making powers, this is clearly laid out in written Terms of Reference. In the absence of such provision, all decisions are made by the Council of Management.

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The trustees have regard to the provisions set out in Section 4 of the Charities Act 2006, with regard to public benefit, in all their decision making.

The committees of the Council of Management have undertaken a review of their activities in 2017, to provide assurance that the respective committee workplans all individually and collectively align with the Council of Management's agenda and support the delivery of objectives for the year. The output from this process has been the production of brief reports setting out some of the key work areas completed and achievements of each committee in the last twelve months. This process also offers:

- additional visibility of the progress and plans of the committees to other trustees, thereby supporting greater co-ordination of effort and focus across the Council of Management and its sub-committees in the subsequent year; and
- greater transparency of the work of each committee

Synopses of the workplans of the committees can be provided upon request.

Appointment of Trustees

Members elect trustees at the Annual General Meeting, when one third of the Council of Management retire and become eligible for re-election. Between AGMs, the Council of Management may also appoint new trustees. Prospective trustees are selected for the skills and attributes which they can bring to the Trust. They are interviewed informally by existing members of the Council of Management and given information about the Trust and Victoria Baths. They are invited to attend a meeting of the Council of Management as an observer prior to accepting the position of trustee.

The Council of Management has a Role Specification for Trustees which sets out the skills, expertise and experience it seeks from its trustees overall: community involvement, legal (planning/property), financial (management accounting/financial accounting), general management (including at a senior level), governance, project management, property management and maintenance, building engineering/quantity surveying, fundraising, strategic planning, information analysis, education and training, leisure management, history, heritage, human resources, public relations, the arts and health. Good business networks within the Manchester City Region are also valued.

The Council of Management has appointed trustees within the year to fill in gaps in the collective skills of its members and continues to review this to ensure it has the expertise required to lead and govern the Trust.

Risk Assessment

The Council of Management has assessed the major risks to which the Trust is exposed, in particular those related to the activities at Victoria Baths and its financial sustainability. The trustees periodically review the Risk Register and are satisfied that systems are in place to mitigate exposure to these major risks.

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Trustees' Annual Report

For the year ended 31st March 2017

Objects of the Trust

The key objects of the Trust are:

- to preserve for the benefit of the people of the City of Manchester and of the nation at large, whatever of the historical, architectural and constructional heritage may exist in and around the City of Manchester in the form of buildings of particular beauty or historical, architectural or constructional interest
- to advance the education of the public in the history, architecture and constructional heritage in and around the City of Manchester
- to create and promote opportunities at Victoria Baths for the public to undertake a variety of recreational and cultural activities including swimming and arts events

The Trust has set out its Vision for Victoria Baths and its Strategy for Restoration. These documents are publicly available on the Victoria Baths website.

Vision

The long-term vision of the Trust is to establish Victoria Baths as a vibrant international heritage visitor attraction which celebrates the nation's swimming history in an inspirational setting for contemporary arts, whilst restoring the well-loved architectural gem so that the public may again experience the Turkish Baths and swim in an historic pool.

Strategy for Restoration

The Trust's strategy is to approach the restoration of Victoria Baths in stages with the current objective being Restoration Phase 2, the re-opening of the Turkish Baths suite, creation of a Health Suite and the conversion of the Superintendent's Flat into residential accommodation.

Review of Activities

Restoration Phase 2

Work in the year on Restoration Phase 2 has led to the completion of plans, programmes and budgets, the appointment of an Operating and Development partner and the submission of a major capital grant application.

- **Operator Appointment:** The Trust developed a robust operator selection procedure in 2015 which included clear selection criteria, soft market testing, a Pre-Qualification Questionnaire and a competitive tender invitation to short-listed firms. This procedure led in June 2016 to the appointment of Fusion Lifestyle as the Trust's Operating and Development Partner for the Turkish Baths and Health Suite. Fusion brings extensive experience of public leisure operation to the project which includes the development of historic swimming facilities. Fusion has committed a capital contribution to Phase 2 and a guaranteed income as rental for the Turkish Baths and Health Suite.
- **Consultation with Friends and the public:** The Trust consulted with Friends, door to door in the neighbourhood around Victoria Baths and with the general public, on its plans for Restoration Phase 2. A Restoration Showcase event was held in June 2016 to which the

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Trustees' Annual Report

For the year ended 31st March 2017

public were invited to view the Phase 2 plans, tour the Turkish Baths suite and give feedback. Open Meetings of the Trust for Friends of Victoria Baths were held in June and December 2016 which focussed on the Phase 2 plans as well as introducing Friends to new trustees and new members of staff.

- **Business Planning and Community Asset Transfer:** To deliver Restoration Phase 2, and to improve the ongoing maintenance and management of Victoria Baths, the Trust is seeking to take on tenure of the building in the form of a Community Asset Transfer (CAT). This will involve the Trust taking on a lease for the building of between 27 and 50 years. The Trust developed a comprehensive Business Plan for Phase 2 in 2015-16 and updated this in 2016 to take account of the appointment of Fusion Lifestyle. The Business Plan was submitted to Manchester City Council who confirmed in writing in November 2016 their support in principle for the Community Asset Transfer.
- **Fundraising:** The Trust carried out its fundraising using in-house staff resources in the year; a change from 2015-16 when external consultants had been engaged. The focus for fundraising was on completing the funding of the development costs of Phase 2. The target of £75,000 was reached which covered virtually all the development costs incurred to 31st March 2017. A comprehensive Fundraising Strategy and Plan was developed in the year to guide the fundraising for Phase 2 and demonstrate how the Trust will achieve the funding required to match a potential grant from Heritage Lottery Fund. As part of the Plan a series of fundraising events commenced in the year with a 110th Birthday Dinner. Food was provided by the Real Junk Food project, 108 tickets were sold and the amount raised for the Start-up Fund was £4,262.
- **Heritage Enterprise Grant:** The Trust had consulted with Heritage Lottery Fund (HLF) in 2015-16 on a potential grant application to the Heritage Enterprise programme. Following advice received at three meetings with HLF staff, the Trust prepared and submitted an application for a major grant in December 2016. The request was £3.5m towards the full project costs of £4.5m. Heritage Lottery Fund gave their decision in March 2017, stating that the application was considered to be strong and well developed but that it was unable to award a grant as the fund was heavily over-subscribed. Trust representatives met with HLF staff and received advice on re-submitting the application within a relatively short timescale. A new application for support for Phase 2 was submitted after the year end, in August 2017.

Providing public access to Victoria Baths for recreational and cultural activities

The Trust organises public events at Victoria Baths and facilitates the use of Victoria Baths for a range of activities both public and private. The building is a seasonal heritage visitor attraction and events venue as the lack of heating makes it impractical to hold public events in the winter months. The number of visits is counted by calendar years in the tables below. The Trust has reviewed its financial year end and from 2018 its financial year and operational year will both be the calendar year.

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Trustees' Annual Report For the year ended 31st March 2017

There was a significant rise in the total number of visits to Victoria Baths with 30,632 visits in 2016 compared to 26,264 in 2015. The breakdown of visitors is as follows:

	2014	2015	2016
Heritage visits	4,657	3,856	4,626
Arts, community, education visits	11,935	4,968	6,940
Venue hire visits	9,446	17,296	19,032
Other visits	165	144	4
Total visits	26,203	26,264	30,602

Heritage activities and complementary events

The Trust provided access to Victoria Baths to the general public at monthly Open Days, for weekly guided tours and for group visits. Results in the year were as follows:

	2014	2015	2016
Open Day visits	3,704	2,665	3,612
Wednesday tour visits	552	457	738
Visits in group tours	401	734	276
Total heritage visits	4,657	3,856	4,626

There were 10 group visits in the year (27 in 2015, 15 in 2014).

The Trust plans a range of activities at its Open Days which appeal to different sections of the community. In 2016 public events included the following:

- There were seven vintage events and two Art & Craft Fairs in the year.
- The May Open Day included a Book & Record Fair.
- The July Open Day featured the first VB Foodie event which was popular in particular with families with children.
- There were four community choir performances at Victoria Baths in 2016.

Arts, community and educational activities

The Trust's objectives include making provision for arts, community and educational activities at Victoria Baths. Overall, this activity increased in 2016 as follows:

	2014	2015	2016
Arts visits	8,166	1,755	2,677
Community events visits	1,557	1,429	2,540
Educational visits	2,212	1,784	1,723
Total arts, community, education visits	11,935	4,968	6,940

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The following key activities took place in the year:

- We hosted *Short and Sweet*, a collection of local arts performances in April which attracted an audience of 300.
- The English National Ballet developed a site specific performance which was filmed as part of the Manchester International Festival and performed to an audience of 268 in August.
- Manchester Arts Education Initiative ran their annual schools drama project at the Baths working with eleven primary schools from Manchester and Rochdale, producing a play based on *The Tempest*.
- There were 28 school / college visits in total in the year.
- The Victoria Baths Family History group, formed by local residents following a series of workshops, continued to meet at Victoria Baths once a fortnight during 2016.
- A series of activities were organised to celebrate the 110th anniversary of the opening of Victoria Baths. The 110th Birthday Bash programme included exhibitions, theatre, music, water-based demonstrations and a talk on the History of the early Baths and Wash-houses of Manchester. Events were focussed on the Heritage Open Days weekend which attracted the highest number of visitors for several years – 888.
- Village Green Events organised their first pop-up cinema events in the year. Tickets sold out really quickly and these events have now become a regular feature of the VB calendar.

Commercial Building hire

Venue hire continues to be the area of strongest growth for Victoria Baths. There were 19,032 visitors to the Baths associated with commercial venue hire in 2016 compared to 17,296 in 2015.

The commercial venue hire includes a proportion of hire which is regular on an annual basis (including wedding hire and returning annual events such as the Independent Manchester Beer Convention, the Gin Festival and the Vintage Home Shows), and a proportion of hire which is much less predictable including TV and film location work. Whilst the number of events continued to rise in 2016/17, there was a notable absence of film location work.

Review of Staffing

The Trust reviewed its staffing complement in 2016 to take account of the changing nature of its activities, in particular the year-on-year increase in the level of building hire. An Administrative Assistant post was created in the year and subsequent review led to the separation of the duties of building maintenance from building hire. Two new posts were created, a Maintenance Officer post and an Events Officer post with minor changes being made to other posts.

The Council of Management continues to review the staffing complement to meet changing needs.

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Trustees' Annual Report

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Volunteers

The Trust encourages the involvement of the public in its activities in a number of ways; as visitors to events, as participants in activities, as Friends and as volunteers.

Volunteers contribute to nearly all aspects of the work of the Trust. During the year 901 volunteer days were recorded (2015, 1,011 days) which is the equivalent of 4 members of staff. At the professional, skilled and standard rates suggested by the Heritage Lottery Fund, the value of the recorded volunteer input to the project was £157,259 (2015, £152,919). A large part of this value represents the input of trustees who recorded 294 days of volunteer time in the year.

Friends and Restoration Supporters

Victoria Baths has a well established Friends membership which enables people all over the UK to show their support for Victoria Baths. Membership options include paying an annual subscription with rates in the year being £20 waged, £18 waged by direct debit and £5 unwaged. In the year Joint membership at £30 was launched and Gift membership also offered for the first time. Many Victoria Baths volunteers choose to pay a subscription as well as giving their time to the project.

Restoration Supporters are Friends who pay £5 per month or more by standing order. These payments are currently all applied to the Restoration Phase 2 Fund.

The number of Friends at 31st March 2017 was as follows:

Friends paying an annual subscription	407
Restoration Supporters	166
Volunteers who don't pay a subscription	117
Honorary Friends / Restoration Supporters	9
Total Friends at 31 st March 2017	699

Volunteers paying a subscription	51
Volunteers who don't pay a subscription	117
Total Volunteers at 31 st March 2017	156

Financial Review and Results

The financial outcome for the year was satisfactory and the financial position stable for the year to March 2017. The pattern of the Trust's operations has changed significantly in recent years; a smaller proportion of the Trust's income is now derived from grants and a much larger proportion is generated through the use of the building, with income generation coming in particular from commercial building hire which is dealt with by the Trust's subsidiary company, Victoria Baths Trading Ltd.

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For the year ended 31st March 2017

This is the fourth year of activity of Victoria Baths Trading Ltd. Non charitable venue income and associated costs are accounted for in the trading company. The company had a relatively poor year due to the complete absence of film location work but still made a surplus which was donated to the Trust. Turnover was £127,330 in the year compared to £156,831 in 2015/16 and donated profits were £15,116 in the year compared to £63,428 in 2015/16.

Reserves Policy

The Council of Management believes that the Trust should hold financial reserves for the following reasons:

- The Trust has no endowment funding and is dependent on earned income, donations and grant income received annually.
- The profitability of the Trust's wholly owned subsidiary, Victoria Baths Trading Ltd, varies significantly from year to year and this is a key source of income for the Trust.
- The Trust requires sufficient funds for at least three months' staffing and office operation costs in order to meet any shortfall in income.

At the year-end, the Trust held almost seven months operating costs in its Unrestricted Fund. Whilst this is relatively high, the trustees have reviewed the situation and consider that the level of reserves is appropriate for the current position because:

- The Trust is working to develop, approve and carry through plans for the future of the Baths which require a large level of capital funding.
- There will be a need to provide cash-flow for both development and capital work as Restoration Phase 2 progresses.
- The Trust anticipates the acquisition of ownership of Victoria Baths in due course through Community Asset Transfer, following which there will be much greater financial responsibility for building related costs.
- The Trust has set aside part of its Unrestricted Fund as a Designated Fund.

The Trust undertakes to review its Reserves Policy annually to take account of changing circumstances.

Designated Fund

The Trust's Designated Fund is aimed at providing resources towards the restoration of the building. During the year, funds were applied to the cost of progressing Restoration Phase 2. The balance of the Designated Fund has been committed as a contribution to the development and capital cost of Restoration Phase 2.

Restricted Funds

The Trust holds two Restricted Funds which represent donations made for specific purposes. These are the Stained Glass Appeal Fund and the Restoration Phase 2 Start-up Fund.

Approved by the Council of Management and signed on its behalf by:

Jill Earnshaw

MANCHESTER VICTORIA BATHS TRUST

Independent Examiner's Report to the Trustees of Manchester Victoria Baths Trust

I report on the accounts of the company for the year ended 31st March 2017 which are set out on pages 11 to 23.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility:

- to examine the accounts under section 145 of the 2011 Act;
- to follow the procedure laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Paul Cowham FCA DChA
Green Fish Resource Centre
46 – 50 Oldham Street
Manchester, M4 1LE

Manchester Victoria Baths Trust
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income					
Donations and legacies	3	21,880	26,903	48,783	112,791
Charitable activities	4	37,326	30,352	67,678	68,432
Fees and other income	5	11,585	9,227	20,812	15,407
Investments	6	664	-	664	767
Total income		71,455	66,482	137,937	197,397
Expenditure					
Raising funds	7, 20	36,660	-	36,660	47,274
Charitable activities	8, 20	55,659	88,573	144,232	125,074
Total expenditure		92,319	88,573	180,892	172,348
Net income/(expenditure) for the year	9	(20,864)	(22,091)	(42,955)	25,049
Transfer between funds		(471)	471	-	-
Net movement in funds for the year		(21,335)	(21,620)	(42,955)	25,049
Reconciliation of funds					
Total funds brought forward		163,663	22,250	185,913	160,864
Total funds carried forward		142,328	630	142,958	185,913

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Manchester Victoria Baths Trust
Company number 2841292
Balance sheet as at 31 March 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	14	950	1,492
Total fixed assets		950	1,492
Current assets			
Debtors	15	37,698	50,188
Cash at bank and in hand		109,753	149,621
Total current assets		147,451	199,809
Liabilities			
Creditors: amounts falling due in less than one year	16	(5,443)	(15,388)
Net current assets		142,008	184,421
Total assets less current liabilities		142,958	185,913
Net assets		142,958	185,913
Funds of the charity			
Restricted income funds	17	630	22,250
Unrestricted income funds	18	142,328	163,663
Total charity funds		142,958	185,913

For the year in question, the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 11 to 21 form part of these accounts.

Approved by the Council of Management on

and signed on their behalf by:

Name

Signed

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Manchester Victoria Baths Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Council of Management have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No such restatement was required.

c Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

There are no key judgments which the trustees have made which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

d Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

e Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

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

f Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

g Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i Operating leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

j Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Motor vehicles:	4 years
Office fixtures and equipment	4 years

k Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o Pensions

The charity has a pension scheme for employees to which it makes contributions on behalf of employees who choose to join as well as deducting contributions from employees who chose to make contributions themselves. The charity has met its obligations in relation to Autoenrolment.

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Donations & gift aid	6,764	23,903	30,667	49,363
East Lancashire Masonic		3,000	3,000	-
Donation from subsidiary trading company; Victoria Baths Trading	15,116	-	15,116	63,428
<i>Total by fund 31 March 2017</i>	<u>21,880</u>	<u>26,903</u>	<u>48,783</u>	<u>112,791</u>
<i>Total by fund 31 March 2016</i>	<u>67,228</u>	<u>45,563</u>	<u>112,791</u>	

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Grants				
Manchester City Council				
Maintenance Grant	-	30,352	30,352	29,309
East Lancashire Masonic				
Charity	-	-	-	-
Manchester Guardian Society	-	-	-	1,000
Duchy of Lancaster	-	-	-	1,000
Historic England	-	-	-	3,500
Earned income				
Open Days and group visits	19,634		19,634	19,108
Community Arts & Education	17,692	-	17,692	14,515
Total	<u>37,326</u>	<u>30,352</u>	<u>67,678</u>	<u>68,432</u>
<i>Total by fund 31 March 2016</i>	<u>33,623</u>	<u>34,809</u>	<u>68,432</u>	

5 Fees and other income

	Unrestricted £	Restricted £	2017 £	2016 £
Activities for generating funds	11,585	9,227	20,812	15,407
	<u>11,585</u>	<u>9,227</u>	<u>20,812</u>	<u>15,407</u>

Activities for generating funds include the Trust's Tea Room, the surpluses from which are unrestricted funds, and fundraising events for the Restoration Phase 2 Fund. The latter is restricted income.

All income from fees and trading is unrestricted.

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

6 Investment income

	Unrestricted £	Restricted £	2017 £	2016 £
Income from bank deposits	664	-	664	767
	664	-	664	767
	664	-	664	767

All of the charity's investment income arises from money held in interest bearing deposit

7 Analysis of expenditure on raising funds

	Total 2017 £	Total 2016 £
Staff costs	23,476	5,281
Fundraising costs	13,184	41,993
	36,660	47,274
	36,660	47,274

8 Analysis of expenditure on charitable activities

	Total 2017 £	Total 2016 £
Depreciation	542	540
Staff costs	74,697	75,146
Building costs	20,369	16,890
Restoration work	19,370	9,000
Office premises	8,003	7,859
General running costs	7,679	8,764
Professional fees	11,634	5,580
Other governance costs		
Independent examination	1,100	1,100
Other governance costs	838	195
	144,232	125,074
	144,232	125,074
	2017 £	2016 £
Restricted expenditure	88,573	79,484
Unrestricted expenditure	55,659	45,590
	144,232	125,074
	144,232	125,074

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2017 £	2016 £
Depreciation	542	540
Independent examiner's remuneration		
- accountancy	500	500
- independent examination	600	600
	542	540

10 Staff costs

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	80,469	66,872
Social security costs	5,620	5,165
Employers pension contributions	6,865	5,834
Staff and volunteer training and expenses	1,601	1,723
Recruitment	-	833
Freelance staff	3,618	-
	98,173	80,427

No employee has employee benefits in excess of £60,000 (2016: None).

The average number of staff employed during the period was 8.3 (2016: 6.5).

The average full time equivalent number of staff employed during the period was 2.9 (2016: 2.6).

The key management personnel of the charity comprise the trustees and the Project Development Manager and the Operations Manager. The total employee benefits of the key management personnel of the charity were £35,210.

Most Trust staff are jointly employed by the Trust and Victoria Baths Trading Ltd. The figures here show only the staff complement which relates to Victoria Baths Trust.

11 Trustee remuneration and expenses, and related party transactions

Neither the trustees nor any persons connected with them received any remuneration during the year (2016: None). One trustee claimed travel expenses of £145 in the year (2016 £51).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2016: nil).

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

12 Government grants

The government grants recognised in the accounts were as follows:

	2017 £	2016 £
Manchester City Council	30,352	29,309
	30,352	29,309
	30,352	29,309

There were no unfulfilled conditions and contingencies attaching to the grants.

13 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

14 Fixed assets: tangible assets

	Equipment £	Total £
Cost		
At 1 April 2016	2,167	2,167
Additions	-	-
Disposals	-	-
	2,167	2,167
At 31 March 2017	2,167	2,167
Depreciation		
At 1 April 2016	675	675
Charge for the year	542	542
Disposals	-	-
	1,217	1,217
At 31 March 2017	1,217	1,217
Net book value		
At 31 March 2017	950	950
	950	950
<i>At 31 March 2016</i>	<i>1,492</i>	<i>1,492</i>
	<i>1,492</i>	<i>1,492</i>

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

15 Debtors

	2017	2016
	£	£
Grants receivable	7,523	15,003
Prepayments & other debtors	6,322	2,075
Amounts due from Victoria Baths Trading Ltd	23,853	33,110
	37,698	50,188
	37,698	50,188

16 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors & accruals	5,024	15,388
Other creditors	419	-
	5,443	15,388
	5,443	15,388

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

17 Analysis of movements in restricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
Stained Glass Appeal	20,000	-	(19,370)	-	630
Manchester City Council	-	30,352	(30,352)	-	-
Restoration Phase 2 start up fund	2,250	36,130	(38,851)	471	-
	<u>22,250</u>	<u>66,482</u>	<u>(88,573)</u>	<u>471</u>	<u>630</u>

Previous reporting period	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
Stained Glass Appeal	6,779	20,000	(6,779)	-	20,000
Historic England	-	3,500	(3,500)	-	-
Manchester City Council	-	29,309	(29,309)	-	-
Restoration Phase 2 start up fund	12,749	29,397	(39,896)	-	2,250
	<u>19,528</u>	<u>82,206</u>	<u>(79,484)</u>	<u>-</u>	<u>22,250</u>

Name of fund **Description, nature and purposes of the fund**

The balances on restricted funds are all unexpended grants for the charity's projects.

Stained Glass Appeal - individual donations & fundraising The Trust holds a restricted fund which receives donations that are specifically for the restoration of the building's stained glass windows. The Trust received a donation of £20,000 in memory of Fred Lucas in 2015/16. This money was used to restore the south gable window in the Gala Pool during the year. The window bears the inscription "Restored in memory of Fred Lucas 1923-2015". The balance in the fund of £630 will be applied to future stained glass restoration.

Manchester City Council The City Council provides funding each year towards the maintenance of Victoria Baths and in the year contributed £30,352.

Restoration Phase 2 start up fund The Trust established this fund in March 2015 to enable Friends and other supporters to contribute to the cost of developing plans for Restoration Phase 2 of Victoria Baths. £2,250 was brought forward on 1/4/16 and £36,130 was raised in the year from donations and fundraising activity. The cost of developing Phase 2 was £38,851 with the balance of this expenditure which couldn't be covered by the Start-up Fund coming from the Trust's Designated Building Fund.

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

18 Analysis of movement in unrestricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
General fund	108,856	71,455	(92,319)	-	87,992
Building appeal (designated fund)	54,807	-	-	(471)	54,336
	<u>163,663</u>	<u>71,455</u>	<u>(92,319)</u>	<u>(471)</u>	<u>142,328</u>

Previous reporting period	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
General fund	84,308	115,191	(90,643)	-	108,856
Building appeal (designated fund)	57,028	-	(2,221)	-	54,807
	<u>141,336</u>	<u>115,191</u>	<u>(92,864)</u>	<u>-</u>	<u>163,663</u>

Name of fund	Description, nature and purposes of the fund
General fund	The free reserves of the charity
Building appeal (designated fund)	The purpose of the Building Appeal Fund is to part-finance the restoration of Victoria Baths. The Fund has accumulated over the years thanks mostly to the ongoing contributions of the Trust's Restoration Supporters. £54,807 was brought forward on 1/4/16, £471 was used to contribute to the development costs of Phase 2 and the balance at the year end was £54,336. The Trust has committed these funds to Restoration Phase 2.

19 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	950	-	-	950
Net current assets/(liabilities)	86,571	54,807	630	142,008
	<u>87,521</u>	<u>54,807</u>	<u>630</u>	<u>142,958</u>

Manchester Victoria Baths Trust

Notes to the accounts for the year ended 31 March 2017 (continued)

20 Additional analysis of expenditure (The following note does not form part of the statutory accounts)

	Stained glass	Manchester City Council	Restoration Phase 2 start up fund	Total restricted funds	Support costs	Unrestricted funds	Designated funds	Total 2017	Total 2016
	£	£	£	£	£	£	£	£	£
Expenditure on raising funds									
Staff costs	-	-	16,105	16,105	-	-	-	16,105	5,281
Other expenses	-	-	4,375	4,375	-	44	-	4,419	31,461
Cost of goods sold	-	-	-	-	-	3,305	-	3,305	6,038
Marketing	-	-	-	-	-	5,460	-	5,460	4,494
Subtotal	-	-	20,480	20,480	-	8,809	-	29,289	47,274
Expenditure on charitable activities									
Restoration	19,370	-	-	19,370	-	-	-	19,370	9,000
Building expenditure	-	12,378	-	12,378	-	8,425	-	20,803	16,890
Management & admin	-	-	-	-	6,130	-	-	6,130	8,237
Professional	-	-	11,130	11,130	-	-	-	11,130	5,580
Staff & volunteers	-	16,356	7,371	23,727	21,223	36,648	471	82,069	75,146
Arts & education	-	-	-	-	-	-	-	-	527
Office premises	-	1,618	-	1,618	8,003	-	-	9,621	7,859
Depreciation	-	-	-	-	-	542	-	542	540
Meeting costs	-	-	-	-	-	838	-	838	195
Accountancy	-	-	-	-	1,100	-	-	1,100	1,100
Allocation of support costs	-	-	-	-	(36,456)	36,456	-	-	-
Subtotal	19,370	30,352	18,501	68,223	-	82,909	471	151,603	125,074
Total	19,370	30,352	38,981	88,703	-	91,718	471	180,892	172,348