

MERTHYR TYDFIL LEISURE TRUST LIMITED

England & Wales · Charity number 1160964

Details

Status Registered

Legal form Charitable company

Company number [09172730](#)

Registered 2015-03-18

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: THE OBJECTS OF THE CHARITY (THE "OBJECTS") ARE:1) TO PROVIDE OR ASSIST IN THE PROVISION OF BOTH INDOOR AND OUTDOOR FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE; 2) TO PROMOTE COMMUNITY PARTICIPATION IN HEALTHY RECREATIONAL ACTIVITIES;3) TO PROVIDE OR ASSIST IN THE PROVISION OF COMMUNITY FACILITIES TO BE AVAILABLE TO ALL SECTIONS OF THE COMMUNITY WITHOUT DISTINCTION, INCLUDING USE FOR MEETINGS, LECTURES AND CLASSES AND/OR OTHER FORMS OF RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR ALL THOSE WHO USE THE FACILITIES;4) TO ADVANCE EDUCATION IN THE ARTS BY THE ESTABLISHMENT AND MAINTENANCE OF AN ART GALLERY AND/OR MUSEUM;5) TO ADVANCE THE EDUCATION OF THE PUBLIC THROUGH THE PROVISION OF A LIBRARY;6) TO PROVIDE, MAINTAIN AND EQUIP PARKS WITH THE OBJECT OF ADVANCING PUBLIC EDUCATION, WITH PARTICULAR REGARD TO HORTICULTURE, ARBORICULTURE, WILD PLANTS AND WILDLIFE;7) TO PROMOTE THE ADVANCEMENT OF THE PHYSICAL EDUCATION AND HEALTHY RECREATION AMONGST YOUNG PEOPLE NOT UNDERGOING FORMAL EDUCATION;8) TO PURSUE SUCH OTHER CHARITABLE PURPOSES ANALOGOUS TO ANY OF THE ABOVE AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION SHALL DETERMINE (TOGETHER THE "OBJECTS")FOR THE BENEFIT OF THE PUBLIC (AND IN PARTICULAR, BUT NOT LIMITED TO, THE PEOPLE OF MERTHYR TYDFIL COUNTY BOROUGH COUNCIL)

Activities: Operate Cultural and Leisure Venues in Merthyr Tydfil providing access to a range of cultural and active recreation opportunities to benefit the Health and Wellbeing of the Community of Merthyr Tydfil. The venues include Libraries, Park, Castle, Museum, Theatre and Arts Venue, Leisure Centres and Community Centres. In addition a range of events delivered via the venues.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	-	-	-	-
2024-03-31	-	-	-	-
2023-03-31	-	-	-	-
2022-03-31	£4,202,864	£4,510,689	£-2,181,764	177
2021-03-31	£4,333,839	£3,871,546	£-3,500,939	103
2020-03-31	£4,235,636	£4,872,818	£-2,780,232	148
2019-03-31	£4,603,351	£4,738,552	£-1,472,050	159
2018-03-31	£4,752,372	£5,017,349	£-1,645,849	142

Trustees

Name	Role	Appointed
David Andrew Lewis		2019-08-09
Elliott Darnell Crabtree		2023-05-18
Matthew William Alyn Griffiths		2022-06-30
Sheridan Methuen		2019-02-22
Timothy James Moore		2023-05-23

MERTHYR TYDFIL LEISURE TRUST LIMITED

England & Wales - Charity number 1160964

Accounts

Charity registration number 1160964

Company registration number 09172730 (England and Wales)

MERTHYR TYDFIL LEISURE TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

MERTHYR TYDFIL LEISURE TRUST LIMITED

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MERTHYR TYDFIL LEISURE TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

Chairs Introduction

I am pleased to be able to introduce our Trustees Annual Report for the year to March 2022. The year as with the previous one was not without its challenges as we navigated our way out of the Government restrictions and back to some semblance of normality. It was pleasing to see all our venue re opening albeit some with restricted usage at the beginning of the year. Our on line presence continues to grow however it is equally pleasing to see customers returning and using our venues, the mix of both will continue to support our recovery moving forward.

My thanks as always to all our staff who have continued to work hard in an ever changing work place, meeting every challenge thrown at them with resilience, commitments and a willingness to ensure all our customers receive the very best service that we can offer.

Looking forward to the next 12 months, despite the current challenges presented by the cost of living increases and energy crisis we will aim to continue to provide an efficient, effective service, with accessible and well-maintained facilities that cater for all our customers.

Our plans include an upgrade to the fitness facilities at Merthyr Tydfil Leisure Centre, new spin bike for Aberfan Community Centre, the re-introduction of events and activities within the main hall at Merthyr Tydfil Leisure Centre. The museum service will again start its programme of temporary exhibitions. Redhouse will provide a varied programme of events and activities, the libraries will once again be able to offer a wider range of activities such as its Lego club, summer reading challenge and charity event such as the strawberry tea and the splash pad and catering facilities within Cyfarthfa Park will be open for business throughout the summer season.

To conclude whilst we acknowledge that there will continue to be challenges ahead of us we will continue to strive to ensure we provide the best possible opportunities for all our customers.



J Smith- Chair of Trustees

Dated: 31 March 2023

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Objects and aim

Merthyr Tydfil Leisure Trust has the following Company Objectives, which are outlined in the company's Articles of Association:

- To provide or assist in the provision of both indoor and outdoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.
- To promote community participation in healthy recreational activities.
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities.
- To advance education in the arts by the establishment and maintenance of an art gallery and/ or museum.
- To advance the education of the public through the provision of a library.
- To provide, maintain and equip parks with the object of advancing public education, with particular regard to horticulture, arboriculture, wild plants and wildlife.
- To promote the advancement of the physical education and healthy recreation amongst young people not undergoing formal education.
- To pursue such other charitable purposes analogous to any of the above as the Trustees in their absolute discretion shall determine (together the "Objects")

The Vision Statement that shapes our annual activity is: Creating healthier and happier communities.

Our Mission Statement is: to inspire healthier communities by connecting people to cultural and active recreation.

Our values: We are an organisation that aspires to the highest standards in everything we do, and we adopt the following seven core values to assist us to achieve our mission:

- Empower individuals – create an environment where employees can think big, have fun and do good.
- We are one team – play as a team, demonstrate genuine commitment to each other and leave egos at the door.
- Continuous improvement – creativity, innovation and risk taking.
- Integrity – we are consistently open, honest, ethical and genuine.
- Leadership – always by example
- Customer Fixation – Treat customers the way we would like to be treated and always deliver on our promises and exceed expectations.
- And always pursue growth and Learning.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Significant activities

Cultural Services

Libraries

Merthyr Tydfil Public Libraries are the only statutory service provided by Merthyr Tydfil Leisure Trust on behalf of Merthyr Tydfil County Borough Council. Merthyr Tydfil public Library Service consists of the main Central Library and three community libraries at Dowlais, Treharris and Aberfan and there is a library hub based at the Merthyr Tydfil Leisure Centre. In addition, the service offers a home links delivery service for those unable to access services in the usual way. The public library service is governed by the 1964 Libraries and Museums Act which places a duty on authorities to provide: 'a comprehensive and efficient library service for all persons wishing to make use thereof'.

Part of being a statutory Public Library Service is that services are provided free of charge for those who live, work or visit the area, and public library services across Wales work together to provide resources in conjunction with Welsh Government and the National Library of Wales to ensure parity of access to a range of resources, including but not limited to:

- Free book loans
- Free loans of audio materials
- Free access to local studies and local history materials
- Free family history information and free access to several online family history sites
- Free access to a range of online services, available at the library and at home with an active library membership
- Free Internet access at all borough libraries
- Community sessions around literacy, numeracy, digital literacy, job seeking and much more
- Friendly, knowledgeable staff

Museum

Merthyr Tydfil Museums Service is responsible for the management of Cyfarthfa Castle Museum and Art Gallery and Joseph Parry's Ironworker's Cottage.

Cyfarthfa Castle Museum & Art Gallery is one of the main tourist attractions in Merthyr Tydfil. The Museums Service provides a means by which the important, rich heritage of Merthyr Tydfil can be interpreted, promoted and appreciated by the local community and visitors alike. Joseph Parry's Cottage was the birthplace in 1841 of Joseph Parry, Wales' best-known composer, and the interior of the cottage provides an insight into the living conditions of the ironworker at the time when Parry was a young boy.

The Museums Service runs a variety of events and exhibitions and our education and community programmes offer an exciting and interactive programme of activities that aims to bring history to life. The service aims to provide a sense of 'place' to the community and visitors by providing a gateway to Merthyr's past, its achievements and how they contributed to outstanding customer service and all round visitor experience. The service has an important role in collecting and preserving historic and artistic objects for the future generations of Merthyr Tydfil.

With the departure of the school from the Cyfarthfa Castle and the potential redevelopment of the building, there will also be future opportunities for both the museum and the trust as a whole to support and hopefully enhance any future developments of the site.

Cyfarthfa Park

Once the family home of the Crawshay Ironmasters dynasty, Cyfarthfa Park and Castle occupy some 165 acres of land to the north west of Merthyr Tydfil town centre. The Castle itself houses the Museum & Art Gallery whilst the rest of the Castle was utilized as a school from 1909 up until 2014. Since April 2015, the Trust has been responsible for the Castle, Park, Museum, and the activity zone, which incorporates the Splash Pad, Canolfan Cyfarthfa, bowling green, Pitch and Putt Golf Course and Tennis Courts. However, it must be recognized that there are a number of important partners and stakeholders who have invested in and contribute to the short and long term success of Cyfarthfa Park and Castle as a premier local, regional and national attraction such as Heritage Lottery Fund, the Friends of Cyfarthfa Park, Museum and Heritage group which act as Friends of the Museum Merthyr, Engineering Society, Merthyr Tydfil Angling Association, Social Regeneration Department and Cyfarthfa Bowling Club.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The Park is also used for a number of community events which include The Merthyr Rocks Festival, Fireworks Sky show, American Circus, Monster Trucks, and Pony Shows etc.

Redhouse

Built in 1896, the Old Town Hall was originally the seat of local government, which included the Council Chamber, Magistrates Court and holding cells for remand prisoners. After years of use as a civic building, these services moved elsewhere in 1989, leaving the Old Town Hall vacant. In the intervening years, the Old Town Hall was divested to private ownership and used as a nightclub where it was unceremoniously vandalised and fell into disuse and disrepair.

Merthyr Tydfil Housing Association resolved to save the building and preserve its unique heritage and character when they purchased the Old Town Hall in 2007. Working with a range of funding partners, the venerable building started the journey towards its new life as a centre for the arts, heritage and creative industries. The Old Town Hall has been extensively renovated and restored, blending its beautiful period features with brand new arts facilities and technologies to make it a truly inspirational building. The magnificent Grade II* listed building reopened to the public on St. David's Day 2014, following an extensive £8m capital redevelopment programme supported by the Welsh Government, European Regional Development Fund, Heritage Lottery Fund & Merthyr Tydfil County Borough Council in association with Miller Argent. On April 1st 2015 the business was transferred under lease to the Merthyr Tydfil Leisure Trust.

Leisure Services

The Leisure section of the Trust is responsible for the operation and management of the flag ship Merthyr Tydfil Leisure Centre & Skate Park, Aberfan Community Centre, Treharris Community Centre, and Grove Field Artificial Turf pitch. We also work in partnership with Gôl to offer activities at the newly built external five a side pitches adjacent to Merthyr Tydfil Leisure Centre and provide support to the Merthyr Tydfil International Bowls Centre. Our venues provide a wide range of opportunities for adults and children that encourage physical activity and sport, such as Swimming, Fitness suites, classes, courses and holiday activity programmes. Our venues are home for many local clubs and sporting organisations that train on a weekly basis and develop their sport. We are also proud to host many large sporting and non-sporting events each year.

Leisure is working in partnership with the Local Authority and contributes to the Single Integrated plan and corporate plan, specifically in the priority area of Healthy and Active lifestyles via its range of facilities and activities. We also deliver the Free Swim and National Exercise Referral Scheme on their behalf. Our Community Sport programmes focus on providing sport and physical activity opportunities within our Leisure facilities for children aged three and upwards via a variety of activities.

Events

Merthyr Tydfil Leisure Trust plays host to a variety of sporting and non-sporting events within its facilities throughout the year such as concerts in the park to darts and boxing events at Merthyr Tydfil Leisure Centre.

Public Benefit

In setting our objectives and planning our activities, the trustees confirm that they have considered the Charity Commission general guidance on public benefit and its supplementary public benefit guidance. Merthyr Tydfil Leisure Trust understands and embraces the need to use commercial practices to deliver social outcome and as such ensures a careful balance between the two. Our Trust continually strives to improve and develop its services and activities.

The Trust has entered into an agreement with Merthyr Tydfil County Borough Council whereby we undertake to deliver a range of services at a variety of facilities, which are owned by the Council and leased to the Trust.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission for England and Wales.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and Performance

Libraries

The year 21/22 was still a difficult one for Library frontline services, with significant restrictions still in place in relation to the services it was able to provide. New ways of working developed during the first year of the pandemic, including online and digital content provision was built on, and thus provided ways of delivering content, knowledge and information to new and existing audiences.

As restrictions eased, in line with the public health protection measures in place saw small returns to in person delivery, opening hours were extended and services gradually began to return to similar models to pre-pandemic.

Although services began to return to normal, actual visits to premises and engagement with activities was slow to build, in line with national trends in the return to physical spaces.

Services continue to be operated in a blended model and are developing to increase consumer confidence in returning to physical spaces, alongside understanding the changing needs of customers post pandemic restrictions.

The local authority were able to secure funding for repair of one of the grade 2 listed service points which has suffered severe water ingress and this work will be ongoing for two financial years to ensure the ongoing viability of the building. The service point has been moved across the road into a community space and continues to provide services.

Museum and Art Gallery

Again, as in the case of Library services, the Museum service continued to be subject to significant public health measures in relation to the delivery of their services, and like Libraries, have seen slow increases to numbers of people attending.

Again, services have been delivered differently through different mediums, including online and digital platforms and these have been well received by both traditional and non-traditional models.

Much of the year has been spent re-building links lost during the pandemic, especially with schools and educational establishments, community groups and individuals. As the year has developed there have been increasing activities, participation and interest in the service which will be built on for subsequent years.

Cyfarthfa Park

Scheduled refurbishment works at the park for the café and splashpad area were hampered by supply chain issues caused by the pandemic and as such had a severe and negative impact on the service levels at the park.

However, a range of activities did take place and were well received by those in attendance, including outdoor panto and shows, music events, walks, talks and other activities which, as they were outside, meant that they were less restricted and appeared more attractive to participants.

The park was able to remain open throughout the period of restrictions and thus played an important part of the offer to enhance lives, through active participation.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

Redhouse

Significant levels of funding were sought and granted during the year to begin to improve and develop the offer at Redhouse. Significantly the Redhouse attracted Arts Council of Wales, Welsh Government and UK government funding to develop activities.

There were set backs as COVID cases increased in the local area and in Wales and some activities had to be cancelled at short notice due to Welsh Government restrictions being imposed during the fourth quarter.

However, the grants given were able to be used to do some audience development and partnership working to build on for the coming years. The College (anchor tenants) were welcomed back and their presence also helped the building become more active. As the requirements of the College changed (significant additional requirements on the building were needed), we were able to also welcome back other tenants, such as Community Music Wales.

Leisure

As public health measures eased, leisure services began welcoming people back into the buildings, but also undertook outdoor classes and exercise activities, alongside the digital offers being made available, alongside the home exercise equipment.

Grants were obtained to develop the changing areas in one of the centres and significant work was undertaken to assess, redesign and develop a grant application for Welsh Government in relation to the pool works required in Merthyr Tydfil Leisure Centre.

As restrictions eased Leisure was able to welcome back new members and a significant investment was sought and planned for a new gym area to revitalise the offer moving into a post-pandemic period.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

NERS (National Exercise Referral Scheme)

The key achievement of 2021-22 was the restart of the NERS programme in June 2021. After 15 months of NERS being suspended due to the pandemic, we were able to return to the leisure centre to do classes and accept new referrals again. We had some challenges with finding some space to do our classes because the vaccination centre was located in the main double hall and main dance studio of Merthyr Leisure Centre. A lot of work was involved in the restart and it was such a lovely achievement when we were able to recommence our consultations and face-to-face classes again.

In addition to the restart, we employed an instructor in August 2021. This instructor had been employed with us previously (had left in March 2020) so came ready with all the qualifications and experience needed to be part of the team and get working immediately.

To promote the NERS programme during 2021 - 22 the NERS coordinator gave presentations to GP's at their GP cluster meeting, presented to the Voluntary Action Merthyr Tydfil forum, presented at the practice nurses CPD training, presented to the physiotherapists who are based in our local GP surgeries, presented to the stroke rehabilitation team at Prince Charles Hospital and attended a community information day at Twyn Community Centre in Merthyr.

The Merthyr NERS team started a project with the Department of Work and Pensions (DWP) in September 2021. This project is to enable people who are of working age and on certain benefits to access NERS for free. The project was given a small grant to allow local authority NERS teams to take on up to 78 participants for the pilot project. This project will continue into 2022 - 23 to ensure 78 participants benefit from the funding.

Events

Events were limited and subject to the restrictions in place at various times during the year, although the latter part of the year did see significantly more events and activities start to take place. These events ranged from story and rhyme sessions to music events and covered everything in between. A new programme of events and developments was programmed for the coming year using the grant spends allocated to them.

Community Activity

The start of the year saw very little community activity other than what was delivered online due to the restrictions in place at the time. As we moved through the year, and public health measures were reduced and changed etc, more partnership approaches were developed and community engagement began again right at the end of the year.

Staff Support throughout the pandemic

Staff have more than proven their resilience through the pandemic, being involved in whole new ways of working and developing activity, alongside their efforts around mass testing. However, in order to further support the staff through the pandemic, the People and Learning manager has arranged a series of support mechanisms that staff can call on, including but not limited to:

- Mental health support via dedicated phone numbers
- Referral to mental health specialists if required through formal means
- Addendums to policies to support staff through bereavement, caring and other responsibilities during the pandemic
- Ongoing teams/zoom meetings not about work but as a method for keeping in touch
- A commitment to paying 100% of wages as long as able to ensure staff suffer no financial hardship during the furlough period

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The financial statements are set out later in this report. The statement of Financial Activities shows a net unrestricted deficit, before actuarial losses on defined benefit pension schemes, for the year of £314,384 (2021: net unrestricted surplus of £368,799). Income in 2022 was £4,202,864 (2021: £4,333,839) whilst expenditure in 2022 was £4,510,689 (2021: £3,871,546). The actuarial gain on defined benefit pension scheme for the year was £1,627,000 (2021: loss of £1,183,000).

Full details of the movement in restricted funds is included within note 19 on page 37.

Going concern

The Trust, is facing significant levels of uncertainty relating to the recovery from the impacts of the Covid 19 pandemic as well as the cost of electricity and gas. The Trust is seeing the return level of customers stabilised at a lower level than pre-Covid, and therefore income has stagnated. In addition to the issues facing the Trust in relation to post-COVID recovery, the massive increases in utilities and the exclusion of sports facilities from the latest round of government support has seen that the Trust is faced with an increase in power costs in the year to 31/03/2024 in the region of £570,000.

The Trust currently has a positive level of general reserves, although these have reduced in the current year following the slow recovery from the effects of the Covid 19 pandemic and the reduction of Covid 19 funding. However these increased costs are not sustainable and without changes to the current operational model the Trust will face cashflow issues by the end of the 2024 financial year.

These material uncertainties related to going concern are set out in note 1.2 to the financial statements.

Pension

On 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Merthyr Tydfil Leisure Trust was retained by Merthyr Tydfil County Borough Council (MTCBC). The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

Full details of the movement in pension obligation is included within note 18 on page 34.

Policy on reserves

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure.

It is the Trust's policy that unrestricted funds not committed or invested should be built up over time, so there are sufficient reserves to meet 2 months of expenditure, in order to allow the ongoing operation of the charity to continue in the event of a fall in expected funding. The trustees consider that the ideal level of reserves would be £766,000.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

At 31 March 2022 the free reserves excluding the defined benefit pension reserve amount to £245,309. The pension reserve amounted to a deficit of £3,344,000. At 31 March 2022 restricted reserves were £368,923. The Trust currently holds minimal reserves.

Discussions with Merthyr Tydfil County Borough Council are ongoing to clarify responsibilities for the funding of repairs and maintenance of the properties we currently lease from them. The Trust also aims to build up reserves to fund working capital. All annual surpluses not allocated to fund working capital are available to fund investment into property and equipment to improve service quality. The Trust aims to maintain a minimum unrestricted reserve.

1. Unrestricted Funds

- General Funds – to finance the day-to-day working capital of the business and for the sudden drop in income or unexpected expenditure. They are available for the general purpose of the charity as set out in its articles of association
- Designated Funds – these are monies separately identified, having had prior approval from Trustees, to finance specific projects. Should the charity not use the funds, the unused monies can be moved back into General Funds.

2. Restricted Funds

- Funds held in specific trusts under charity law are classed as restricted fund. The specific trusts may be declared by the donor when making the gift or may result from the terms of an appeal for funds. The specific trusts establish the purpose for which a charity can lawfully use the restricted funds.

The reserves level will be reviewed on an annual basis by the Trustees of Merthyr Tydfil Leisure Trust.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these discussions and subject to affordability and are ratified by the Board of Trustees

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trust has a risk register for identifying, evaluating and managing risk which is regularly reviewed in order to ensure all principal risks and uncertainties are identified and that robust plans and strategies are in place to manage those risks.

Health and Safety

The Trustees have identified health and safety as a significant risk area. Merthyr Tydfil Leisure Trust's duty of care to all those who visit and work within the facilities is of paramount importance to us. We have a service level agreement in place with Merthyr Tydfil County Borough Council who provides us with support, guidance and advice and appointed a Health and Safety Manager in the summer of 2020.

Future

The future plans are as is the case with all charities, businesses and organisations of all types at risk, and will be for the foreseeable future as a result of the impact of the Coronavirus Pandemic.

A lot of work is ongoing to develop new and innovative ways of working while being mindful of the restrictions in place around the services that are provided through us. There is currently a much reduced level of operation and this will provide challenges moving forward. There will be ongoing work to understand grant funding and support funding available to us and partnership development which has already been started will be built on and we will work with those partners to support our communities further as we look to recover from the devastating effects of the pandemic, that have had personal and organisational wide impacts.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

Plans for the Future

Plans are ongoing now for blended service models to ensure services remain relevant and interesting for customers. Digital technologies, developed out of necessity during the pandemic will be part and parcel of a normal service model moving forward. There will be ongoing work to understand grant funding and support funding available to us and partnership development which has already been started will be built on and we will work with those partners to support our communities further as we look to recover from the devastating effects of the pandemic, that have had personal and organisational wide impacts.

Ongoing reference to both the cost of living crisis and energy crisis will have massive impacts on planning and development.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Nature of governing document

Merthyr Tydfil Leisure Trust is a Charitable Company Limited by Guarantee and governed by its Memorandum and Articles of Association, which establishes the objectives and powers of the charitable company.

Recruitment and appointment of trustees

New Trustees will be appointed by existing trustees.

Induction and training of trustees

In line with good governance, we put in place an induction process for New Board members.

Organisational Structure

The day to day operations of the Trust are managed by the Trust's Senior Management Team. The Senior Management Team is given strategic direction by the Board of Trustees (The Board) regarding the provision and operation of the services. The Chief Executive is the officer with delegated authority in respect of day to day management. In addition the Board of Trustees may delegate any of its powers to committees in accordance with its articles. Committees will only consider matters which fall within the defined area of responsibility that the Board has delegated to them. The board had delegated certain responsibilities to the following Sub Groups:

- Change Board
- Finance and Risk Sub Committee
- Culture Sub Committee
- Leisure Sub Committee

The Board has ultimate responsibility for the governance of the Trust and directs, supports and challenges the Senior Management team in its work. Through the provision of such direction and guidance, via the establishment of key policies, the Trust benefits from the foundation of good governance and a balanced Board of trustees, that is both diverse and effective.

The Current Senior Management team consist of:

- Jane Sellwood –CEO
- Marian Barnes – Accountant (From Mitchell Meredith Chartered Accountants)
- Ian Carter– Wellbeing Operations Manager
- Wendy Groves – Business Development and Finance Manager & Secretary
- Leon Phibben – People and Learning Manager

Employee Involvement

Merthyr Tydfil Leisure Trust is committed to delivering excellent services to its customers and we recognise and appreciate that it is our employees who are key to the success of the Trust. The trust employs on average 100 staff depending on the time of year and we are unwavering in our commitment to their wellbeing and development. The Trust is committed to continuously improving our services and our performance for our customers and we fully recognise that our people development and continued learning is essential to help us to achieve this.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

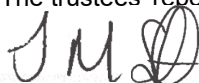
Reference and administrative details

Company number	09172730
Charity number	1160964
Registered office	Central Library High Street Merthyr Tydfil CF47 8AF
Trustees	H L Kester (Chair) A G Jones M E Jones - appointed 29/6/21 M T Anderson J C Ashdown S Methuen (Vice Chair) D A Lewis
Company secretary	W M Groves
Chief Executive Officer	K J Sellwood
Other Key management personnel	W M Groves - Head of Leisure
Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff CF23 8AB
Bankers	Barclays Bank PLC 47 High Street Merthyr Tydfil CF47 8DL

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



J Smith

Trustee

Dated: 31 March 2023

MERTHYR TYDFIL LEISURE TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Merthyr Tydfil Leisure Trust Limited for the purpose 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Opinion

We have audited the financial statements of Merthyr Tydfil Leisure Trust Limited (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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's 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there is uncertainty about future trading conditions relating to the recovery from the impacts of the Covid 19 pandemic as well as the increasing cost of electricity and gas. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Yearsley FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

31 March 2023

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MERTHYR TYDFIL LEISURE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	160,930	-	160,930	2,767	2,767
Charitable activities	4	3,686,262	355,553	4,041,815	1,027,697	4,330,691
Investments	5	119	-	119	-	381
Total income		3,847,311	355,553	4,202,864	1,027,697	4,333,839
Expenditure on:						
Charitable activities	6	4,161,695	348,994	4,510,689	952,727	3,871,546
Gross transfers between funds		-	-	-	18,524	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(314,384)	6,559	(307,825)	368,799	462,293
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes		1,627,000	-	1,627,000	-	(1,183,000)
Net movement in funds		1,312,616	6,559	1,319,175	(814,201)	(720,707)
Fund balances at 1 April 2021		(3,863,302)	362,363	(3,500,939)	268,869	(2,780,232)
Fund balances at 31 March 2022		(2,550,686)	368,922	(2,181,764)	362,363	(3,500,939)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERTHYR TYDFIL LEISURE TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		535,741		271,866
Current assets					
Stocks	11	34,577		33,545	
Debtors	12	299,099		348,138	
Cash at bank and in hand		958,937		821,557	
		1,292,613		1,203,240	
Creditors: amounts falling due within one year	14	(666,118)		(596,982)	
Net current assets			626,495		606,258
Total assets less current liabilities			1,162,236		878,124
Creditors: amounts falling due after more than one year	16		-		(14,063)
Provisions for liabilities			(3,344,000)		(4,365,000)
Net liabilities			(2,181,764)		(3,500,939)
Income funds					
Restricted funds	19		368,922		362,363
<u>Unrestricted funds</u>					
Designated funds	20	60,000		-	
General unrestricted funds		733,314		501,698	
Pension reserve		(3,344,000)		(4,365,000)	
			(2,550,686)		(3,863,302)
			(2,181,764)		(3,500,939)

MERTHYR TYDFIL LEISURE TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 31 March 2023



J Smith
Trustee

Company Registration No. 09172730

MERTHYR TYDFIL LEISURE TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24		459,437		676,252
Investing activities					
Purchase of tangible fixed assets		(308,113)		(5,403)	
Investment income received		119		381	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(307,994)		(5,022)
Financing activities					
Repayment of borrowings		(14,063)		14,063	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(14,063)		14,063
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			137,380		685,293
Cash and cash equivalents at beginning of year			821,557		136,264
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			958,937		821,557
			<u> </u>		<u> </u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Merthyr Tydfil Leisure Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Central Library, High Street, Merthyr Tydfil, Mid Glamorgan, CF47 8AF, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the defined pension liability at fair value. The principal accounting policies adopted are set out below.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Trust, along with other businesses and leisure providers, is facing significant levels of uncertainty relating to the recovery from the impacts of the Covid 19 pandemic as well as the cost of electricity and gas. For leisure providers across the UK, the information coming through from sector bodies is that while usage of facilities is recovering, with an average of 86% usage of public leisure (excluding swimming) when compared to pre-Covid visitor numbers, this does not correspond to a full return of income. Not only has the return level of customers stabilised at a lower level than pre-Covid, and therefore income has stagnated, but the number of people on concessionary or pay-as-you-go membership has increased. This reflects the impact of cost of living and the reduction in disposable income of the public. Leisure and culture trusts receive a management fee from their local authorities to manage the services on their behalf. However, these contributions have remained flat, a real terms reduction, or they have decreased in the past few years. This trend forced operators to be more reliant on income from trading which is also reduced, making them now victims of their own success, and therefore leaving little to invest back into the service or to manage the significantly increased expenditure.

In addition to the issues facing the Trust in relation to post-COVID recovery, the massive increases in utilities and the exclusion of sports facilities from the latest round of government support has seen that the Trust is faced with an increase in power costs in the year to 31/03/2024 in the region of £570,000.

After reviewing the trust's forecasts and projections to 31 March 2022 and at the time of approving the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. New measures, controls and procedures have been put in place since the end of financial year to 31 March 2019, which it is hoped will enable the trust to build and grow its reserves over the current and future years.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The Trust currently has a positive level of general reserves, although these have reduced in the current year following the slow recovery from the effects of the Covid 19 pandemic and the reduction of Covid 19 funding. However these increased costs are not sustainable and without changes to the current operational model the Trust will face cashflow issues by the end of the 2024 financial year.

As stated above, this level of cost increase will have a significant impact on the activities of the Trust and the Trustees have identified that urgent measures are needed to cut costs. However, the Trustees are also keen to ensure that the services and activities offered to the residents of Merthyr Tydfil and surrounding area are protected as much as possible in the challenging economic climate. The Trust operates on the basis of a contract with Merthyr Tydfil County Borough Council that dictates the services and activities provided. The Trustees have therefore approached Merthyr Tydfil County Borough Council to ask them to work in partnership with the Trust to identify the services and activities that should be prioritised. Meetings to this effect are already taking place and there is broad agreement from both elected Councillors and Officers of the Local Authority that, in collaboration with the Trust, a recovery plan is being put in place to protect both the services and the organisation.

The Trustees believe that the relationship between the Council and the Leisure and Culture Trust will be treated as a partnership rather than as a client-supplier one.. This includes the collaborative co-design and co-development of services, rather than simply the purchase of services in the market. This will enable the Trust to continue to trade while working with Merthyr Tydfil County Borough Council to produce a business plan which will enable the Trust to continue to operate and to ensure that the services and service delivery meet the requirements of the Local Authority.

At the date of signing the financial statements, no clear plan is yet in place that clearly demonstrates the going concern of the Trust, therefore a material fundamental uncertainty exists at the point of signing. With Council support, the Trustees are confident that a solution will be found. On the basis of the willingness of Merthyr Tydfil County Borough Council to work in partnership with the Trust to make appropriate changes to the service level agreement, the Trustees believe it is appropriate to adopt the going concern basis in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from 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. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

1.5 Resources expended

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. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees' report and their associated support costs.

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

An analysis has been provided for the charitable activities on a departmental basis.

The departments are defined as follows:

Merthyr Tydfil Leisure Centre
Aberfan Leisure Centre
Libraries
Museums
Redhouse
Other activities

Costs where possible are attributed directly to the activity in which they relate. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost category on a basis consistent with the use of resources.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

It is not the policy of the charitable company to show incoming resources net of expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	25% straight line/ over contract term
Fixtures and fittings	25% straight line
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost or net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

As a registered charity Merthyr Leisure Trust Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The Trust operates a defined benefit pension scheme. The scheme, the Rhondda Cynon Taf County Borough Council Pension Fund, is a multi-employer defined benefit scheme. This is part of the Local Government Pension Scheme (the "LGPS").

On the 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Merthyr Tydfil Leisure Trust was retained by Merthyr Tydfil county Borough Council (MTCBC). The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pensions Scheme Regulations 2016" and "The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014".

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. An actuarial valuation of the Fund was carried out at 31 March 2019 and as part of that valuation a new Rates and Adjustment Certificate was produced for the three-year period from 1 April 2017.

The Fund Administering Authority, Rhondda Cynon Taf County Borough Council, is responsible for the governance of the fund.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Retirement benefit scheme

As set out in notes, the charity operates a defined benefit pension scheme for all qualifying employees. The accounting cost of these benefits and the present value of the pension liabilities involved judgements about uncertain events including such factors as the life expectancy of members, the salary progression of current employees, price inflation and the discount rate used to calculate the net present value of the future pension payments. Estimates are used for all of these factors in determining the pension costs and liabilities incorporated in the financial statements. The assumptions reflect historical experience and judgement regarding future expectations and external actuarial specialists are also used to assist the exercise.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	160,930	2,767

4 Charitable activities

	2022	2021
	£	£
Merthyr Tydfil Leisure Centre	511,001	565,425
Aberfan Leisure Centre	313,232	239,036
Libraries	58,915	221,930
Management fees	2,489,060	2,424,353
Museums	164,076	148,324
Redhouse	328,156	517,118
Other activities	177,375	214,505
	<u>4,041,815</u>	<u>4,330,691</u>
Analysis by fund		
Unrestricted funds	3,686,262	3,302,994
Restricted funds	355,553	1,027,697
	<u>4,041,815</u>	<u>4,330,691</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	119	381

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	2022 £	2021 £
Merthyr Tydfil Leisure Centre	1,093,813	1,031,754
Aberfan Leisure Centre	586,931	467,860
Libraries	568,898	440,631
Museums	502,925	333,654
Redhouse	281,524	298,378
Other activities	380,130	267,207
	<u>3,414,221</u>	<u>2,839,484</u>
Share of support costs (see note 7)	1,033,474	968,589
Share of governance costs (see note 7)	62,994	63,473
	<u>4,510,689</u>	<u>3,871,546</u>
Analysis by fund		
Unrestricted funds	4,161,695	2,918,819
Restricted funds	348,994	952,727
	<u>4,510,689</u>	<u>3,871,546</u>

The amount of support and governance costs attributable to each activity is as follows:

Merthyr Tydfil Leisure Centre: £361,834 (2021: £340,581)

Aberfan Leisure Centre: £93,200 (2021: £87,725)

Libraries: £120,611 (2021: £113,527)

Museums: £93,200 (2021: £87,725)

Redhouse: £120,611 (2021: £113,527)

Other activities: £307,011 (2021: £288,978)

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	489,360	6,660	496,020	445,001	451,939
Establishment costs	70,409	1,437	71,846	76,063	77,615
Legal and professional	331,807	6,772	338,579	363,442	370,859
Repairs and maintenance	336	7	343	241	246
Office expenses	54,948	1,121	56,069	47,420	48,388
Printing, postage & stationery	1,762	36	1,798	1,484	1,514
Sundry expenses	58,098	1,186	59,284	17,378	17,733
Advertising	9,960	203	10,163	1,864	1,902
Bad debts	(1,424)	-	(1,424)	2,455	2,505
Bank charges	18,218	372	18,590	13,241	13,511
Accountancy and audit fees	-	45,200	45,200	-	45,850
	<u>1,033,474</u>	<u>62,994</u>	<u>1,096,468</u>	<u>968,589</u>	<u>1,032,062</u>
Analysed between					
Charitable activities	<u>1,033,474</u>	<u>62,994</u>	<u>1,096,468</u>	<u>968,589</u>	<u>1,032,062</u>

Governance costs includes payments to the auditors of £9,600 for audit fees (2021: £9,600) for audit fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the charity during the current or prior year.

No trustees were reimbursed for expenses during the current or prior year.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Staff	177	103

Employment costs

	2022	2021
	£	£
Wages and salaries	1,756,602	1,694,558
Social security costs	126,427	115,683
Other pension costs	860,147	578,000
	<u>2,743,176</u>	<u>2,388,241</u>

During the year the charity made redundancy and termination payments which totalled £nil (2021: £nil). There were no amounts outstanding at the current or prior year end.

The total amount paid to key management personnel for their services to the charity during the year totalled £145,604 (2021: £117,061)

10 Tangible fixed assets

	Land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2021	276,375	173,162	31,944	481,481
Additions	67,280	220,265	20,568	308,113
At 31 March 2022	<u>343,655</u>	<u>393,427</u>	<u>52,512</u>	<u>789,594</u>
Depreciation and impairment				
At 1 April 2021	42,518	138,930	28,168	209,616
Depreciation charged in the year	18,329	19,355	6,553	44,237
At 31 March 2022	<u>60,847</u>	<u>158,285</u>	<u>34,721</u>	<u>253,853</u>
Carrying amount				
At 31 March 2022	<u>282,808</u>	<u>235,142</u>	<u>17,791</u>	<u>535,741</u>
At 31 March 2021	<u>233,857</u>	<u>34,232</u>	<u>3,776</u>	<u>271,866</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11	Stocks		2022	2021
			£	£
	Finished goods and goods for resale		34,577	33,545
			<u> </u>	<u> </u>
12	Debtors		2022	2021
	Amounts falling due within one year:		£	£
	Trade debtors		223,134	149,417
	Other debtors		39,504	143,022
	Prepayments and accrued income		36,461	55,699
			<u> </u>	<u> </u>
			299,099	348,138
			<u> </u>	<u> </u>
13	Loans and overdrafts		2022	2021
			£	£
	Other loans		-	14,063
			<u> </u>	<u> </u>
	Payable after one year		-	14,063
			<u> </u>	<u> </u>
	Amounts included above which fall due after five years:			
	Payable by instalments		-	14,063
			<u> </u>	<u> </u>
	A loan amount of £14,063 was received in December 2020 from WCVA with interest payable after 12 months at a rate of 2%. The entire loan balance was repaid in November 2021.			
14	Creditors: amounts falling due within one year		2022	2021
		Notes	£	£
	Other taxation and social security		31,190	27,581
	Deferred income	15	8,811	5,457
	Trade creditors		58,718	180,971
	Other creditors		327,108	267,890
	Accruals and deferred income		240,291	115,083
			<u> </u>	<u> </u>
			666,118	596,982
			<u> </u>	<u> </u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Deferred income

	2022 £	2021 £
Other deferred income	8,811	5,457
	<u>8,811</u>	<u>5,457</u>
	2022 £	2021 £
Balance as at 1st April	5,457	6,569
Income received in the year	414,852	354,892
Released to income	(411,498)	(356,004)
	<u>8,811</u>	<u>5,457</u>
Balance as at 31st March	<u>8,811</u>	<u>5,457</u>

Deferred income relates to performance related grant funding, membership income and events income received in advance and which relates to future financial periods.

16 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	-	14,063
	<u>-</u>	<u>14,063</u>

17 Provisions for liabilities

	Notes	2022 £	2021 £
Retirement benefit obligations	18	3,344,000	4,365,000
		<u>3,344,000</u>	<u>4,365,000</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Retirement benefit schemes

On the 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Merthyr Tydfil Leisure Trust was retained by Merthyr Tydfil county Borough Council (MTCBC). The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

The charity operates a defined benefit pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Defined benefit schemes

Key assumptions

	2022	2021
	%	%
Discount rate	2.7	2.1
Expected rate of increase of pensions in payment	2.8	2.6
Expected rate of salary increases	4.05	3.85
RPI Inflation	2.80	2.6
CPI Inflation	2.80	2.6

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022	2021
	Years	Years
Retiring today		
- Males	21.6	21.8
- Females	23.9	24.1
Retiring in 20 years		
- Males	22.6	22.8
- Females	25.4	25.6

Amounts recognised in the profit and loss account:

	2022	2021
	£	£
Current service cost	768,000	515,000
Net interest on defined benefit liability/(asset)	89,000	63,000
Total costs	857,000	578,000

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

18 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2022	2021
	£	£
Actual return on scheme assets	(204,000)	(2,040,000)
Less: calculated interest element	178,000	142,000
	<hr/>	<hr/>
Return on scheme assets excluding interest income	(26,000)	(1,898,000)
Actuarial changes related to obligations	(1,601,000)	3,081,000
	<hr/> <hr/>	<hr/> <hr/>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2022	2021
	£	£
Present value of defined benefit obligations	12,197,000	12,703,000
Fair value of plan assets	(8,853,000)	(8,338,000)
	<hr/>	<hr/>
Deficit in scheme	3,344,000	4,365,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of defined benefit obligations:

	2022
	£
Liabilities at 1 April 2021	12,703,000
Current service cost	768,000
Benefits paid	(38,000)
Contributions from scheme members	98,000
Actuarial gains and losses	(1,601,000)
Interest cost	267,000
	<hr/>
At 31 March 2022	12,197,000
	<hr/> <hr/>

The defined benefit obligations arise from plans which are wholly or partly funded.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

18 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2022
	£
Fair value of assets at 1 April 2021	8,338,000
Interest income	178,000
Return on plan assets (excluding amounts included in net interest)	26,000
Benefits paid	(38,000)
Contributions by the employer	251,000
Contributions by scheme members	98,000
	<hr/>
At 31 March 2022	8,853,000
	<hr/> <hr/>

The fair value of plan assets at the reporting period end was as follows:

	2022	2021
	£	£
Equity instruments	5,966,922	6,045,050
Debt instruments	2,204,397	1,717,628
Property	646,269	525,294
Cash	35,412	50,028
	<hr/>	<hr/>
	8,853,000	8,338,000
	<hr/> <hr/>	<hr/> <hr/>

MERTHYR TYDFIL LEISURE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020		Movement in funds		Transfers		Balance at 1 April 2021		Movement in funds		Balance at 31 March 2022	
	£	£	Incoming resources	Resources expended	£	£	£	£	Incoming resources	Resources expended	£	£
Merthyr Tydfil County Borough Council - Capital	2,574		-	(702)	-	1,872	2,916	(3,619)	1,169			
Arts Council of Wales	23,283		-	-	-	23,283	23,283	-	46,566			
Creative Industry	-		-	-	-	-	5,298	(5,298)	-			
COVID-19	-		233,846	(142,946)	-	90,900	3,500	(21,372)	73,028			
Collection Move	-		-	-	-	-	60,675	(60,675)	-			
Summer of Fun	-		-	-	-	-	5,000	(5,000)	-			
Connect and Flourish	-		-	-	-	-	38,802	(8,242)	30,560			
Welsh Government - Capital	242,387		-	(15,228)	-	227,159	-	(15,228)	211,931			
The Dunhill Medical Trust	-		-	-	18,524	18,524	-	(18,524)	-			
The Federation of Museum and Art Galleries of Wales	625		-	-	-	625	-	(542)	83			
Winter of Wellbeing	-		-	-	-	-	9,395	(3,810)	5,585			
Job Retention Scheme	-		793,851	(793,851)	-	-	206,684	(206,684)	-			
	268,869		1,027,697	(952,727)	18,524	362,363	355,553	(348,994)	368,922			

MERTHYR TYDFIL LEISURE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19 Restricted funds

(Continued)

Merthyr Tydfil County Borough Council - Capital - Funding to cover the cost of a pool platform to assist with the provision of swimming lessons in the area.

COVID-19 - Funding to assist the Trust through, and to aid recovery from, the Covid 19 pandemic.

Arts Council of Wales - Funding to develop the audience beyond the existing network through a programme of visual and performing arts.

Welsh Government - Capital - Funding for improvements at Aberfan Leisure Centre under the community facility programme.

Connect and Flourish - Funding for the development of collaborative proposals between organisations, individuals and creative professionals.

Winter of Wellbeing - To support children and families to ensure that no child is left behind as part of the recovery from the pandemic.

Creative Industry - Arts Council Wales grant to support the development of creative industries and partnerships within the local area.

Collection Move - Funding received to relocate the risky items of the collection from the Museum/Castle building to a safe storage area off site.

The Dunhill Medical Trust - Funding for the ARTiculate project.

The Federation of Museum and Art Galleries of Wales - Funding for access to art project.

Summer of Fun - To support the wellbeing of children during pandemic recovery.

Job Retention Scheme - Funding is to support wages costs during the Covid-19 pandemic.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Transfers £	Balance at 31 March 2022 £
Sylvia Crawshay Legacy	-	60,000	60,000
	-	60,000	60,000

21 Analysis of net assets between funds

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	488,005	47,736	535,741	42,835	229,031	271,866
Current assets/(liabilities)	245,309	321,186	626,495	472,926	133,332	606,258
Long term liabilities	-	-	-	(14,063)	-	(14,063)
Provisions and pensions	(3,344,000)	-	(3,344,000)	(4,365,000)	-	(4,365,000)
	(2,610,686)	368,922	(2,181,764)	(3,863,302)	362,363	(3,500,939)

22 Related party transactions

Merthyr Tydfil Leisure Trust Limited is the trustee of the charity Aberfan Disaster Fund and Centre (charity number: 251829).

There were no transactions between the two charities during the current or prior year. No balances were outstanding at 31st March 2022 (2021: £nil).

There were no other disclosable related party transactions during the year (2021 - none).

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	25,002	25,002
Between two and five years	100,008	100,008
In over five years	200,016	225,018
	<u>325,026</u>	<u>350,028</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	203,105	203,105
Between two and five years	109,524	312,524
In over five years	2,921	2,921
	<u>315,550</u>	<u>518,550</u>

24 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	(307,825)	462,293
Adjustments for:		
Investment income recognised in statement of financial activities	(119)	(381)
Depreciation and impairment of tangible fixed assets	44,238	30,296
Difference between pension charge and cash contributions	606,000	336,000
Movements in working capital:		
(Increase) in stocks	(1,032)	(870)
Decrease/(increase) in debtors	49,039	(127,729)
Increase/(decrease) in creditors	65,782	(22,245)
Increase/(decrease) in deferred income	3,354	(1,112)
Cash generated from operations	<u>459,437</u>	<u>676,252</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

25 Analysis of changes in net funds

	At 1 April 2021	Cash flowsAt 31 March 2022	
	£	£	£
Cash at bank and in hand	821,557	137,380	958,937
Loans falling due after more than one year	(14,063)	14,063	-
	<u>807,494</u>	<u>151,443</u>	<u>958,937</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

England & Wales - Charity number 1160964

Accounts

Charity Registration No. 1160964

Company Registration No. 09172730 (England and Wales)

MERTHYR TYDFIL LEISURE TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

MERTHYR TYDFIL LEISURE TRUST LIMITED

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MERTHYR TYDFIL LEISURE TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

Chairs Introduction

I am pleased to be able to introduce our Trustees Annual Report for the year to 31 March 2021. The year has been an unprecedented one, with the pandemic presenting us with huge challenges both professionally and personally. Many of our facilities have been closed more than they have been open and adhering to the strict guidelines needed to keep customers safe has presented the teams with a new unique way of needing to deliver our services. That said it has also provided us with opportunity for innovation and the need to increase our digital delivery. Our online presence has significantly increased throughout the year with Libraries, Museum and Leisure all offering more opportunities than ever before via our online platforms.

I would like to express my enormous gratitude to the Trusts Senior Management Team who have continued to work throughout the whole time, and to the staff for the resilience and commitment which has allowed the Trust not only to adapt to these challenging times, but has also contributed to the national efforts to combat Covid-19, with our Leisure facilities initially being used as mass testing centres and most recently Merthyr Tydfil Leisure Centre as a Vaccination Centre.

We mustn't dwell on the past, and whilst we cannot predict what is yet to come we will concentrate on the future. Although times have been challenging these last 12 months, we are now starting to see progress with most of our facilities back open – and thinking positively towards the rest of the year.

Looking towards the next 12 months, we will aim to continue to provide an efficient, effective service, with accessible and well-maintained facilities that cater for all our customers; increase participation in sport, physical activity, arts and culture to improve the health and wellbeing of our communities

H Kester - Chair of Trustees



Dated: 5 October 2021

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Objects and aim

Merthyr Tydfil Leisure Trust has the following Company Objectives, which are outlined in the company's Articles of Association:

- To provide or assist in the provision of both indoor and outdoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.
- To promote community participation in healthy recreational activities.
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities.
- To advance education in the arts by the establishment and maintenance of an art gallery and/ or museum.
- To advance the education of the public through the provision of a library.
- To provide, maintain and equip parks with the object of advancing public education, with particular regard to horticulture, arboriculture, wild plants and wildlife.
- To promote the advancement of the physical education and healthy recreation amongst young people not undergoing formal education.
- To pursue such other charitable purposes analogous to any of the above as the Trustees in their absolute discretion shall determine (together the "Objects")

The Vision Statement that shapes our annual activity is: Creating healthier and happier communities.

Our Mission Statement is: to inspire healthier communities by connecting people to cultural and active recreation.

Our values: We are an organisation that aspires to the highest standards in everything we do, and we adopt the following seven core values to assist us to achieve our mission:

- Empower individuals – create an environment where employees can think big, have fun and do good.
- We are one team – play as a team, demonstrate genuine commitment to each other and leave egos at the door.
- Continuous improvement – creativity, innovation and risk taking.
- Integrity – we are consistently open, honest, ethical and genuine.
- Leadership – always by example
- Customer Fixation – Treat customers the way we would like to be treated and always deliver on our promises and exceed expectations.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Significant activities

Cultural Services

Libraries

Merthyr Tydfil Public Libraries are the only statutory service provided by Merthyr Tydfil Leisure Trust on behalf of Merthyr Tydfil County Borough Council. Merthyr Tydfil public Library Service consists of the main Central Library and three community libraries at Dowlais, Treharris and Aberfan and there is a library hub based at the Merthyr Tydfil Leisure Centre. In addition, the service offers a home links delivery service for those unable to access services in the usual way. The public library service is governed by the 1964 Libraries and Museums Act which places a duty on authorities to provide: 'a comprehensive and efficient library service for all persons wishing to make use thereof'.

Part of being a statutory Public Library Service is that services are provided free of charge for those who live, work or visit the area, and public library services across Wales work together to provide resources in conjunction with Welsh Government and the National Library of Wales to ensure parity of access to a range of resources, including but not limited to:

- Free book loans
- Free loans of audio materials
- Free access to local studies and local history materials
- Free family history information and free access to several online family history sites
- Free access to a range of online services, available at the library and at home with an active library membership
- Free Internet access at all borough libraries
- Community sessions around literacy, numeracy, digital literacy, job seeking and much more
- Friendly, knowledgeable staff

Museum

Merthyr Tydfil Museums Service is responsible for the management of Cyfarthfa Castle Museum and Art Gallery and Joseph Parry's Ironworker's Cottage.

Cyfarthfa Castle Museum & Art Gallery is one of the main tourist attractions in Merthyr Tydfil. The Museums Service provides a means by which the important, rich heritage of Merthyr Tydfil can be interpreted, promoted and appreciated by the local community and visitors alike. Joseph Parry's Cottage was the birthplace in 1841 of Joseph Parry, Wales' best-known composer, and the interior of the cottage provides an insight into the living conditions of the ironworker at the time when Parry was a young boy.

The Museums Service runs a variety of events and exhibitions and our education and community programmes offer an exciting and interactive programme of activities that aims to bring history to life. The service aims to provide a sense of 'place' to the community and visitors by providing a gateway to Merthyr's past, its achievements and how they contributed to outstanding customer service and all round visitor experience. The service has an important role in collecting and preserving historic and artistic objects for the future generations of Merthyr Tydfil.

With the departure of the school from the Cyfarthfa Castle and the potential redevelopment of the building, there will also be future opportunities for both the museum and the trust as a whole to support and hopefully enhance any future developments of the site.

Cyfarthfa Park

Once the family home of the Crawshay Ironmasters dynasty, Cyfarthfa Park and Castle occupy some 165 acres of land to the north west of Merthyr Tydfil town centre. The Castle itself houses the Museum & Art Gallery whilst the rest of the Castle was utilized as a school from 1909 up until 2014. Since April 2015, the Trust has been responsible for the Castle, Park, Museum, and the activity zone, which incorporates the Splash Pad, Canolfan Cyfarthfa, bowling green, Pitch and Putt Golf Course and Tennis Courts.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

However, it must be recognized that there are a number of important partners and stakeholders who have invested in and contribute to the short and long term success of Cyfarthfa Park and Castle as a premier local, regional and national attraction such as Heritage Lottery Fund, the Friends of Cyfarthfa Park, Museum and Heritage group which act as Friends of the Museum Merthyr, Engineering Society, Merthyr Tydfil Angling Association, Social Regeneration Department and Cyfarthfa Bowling Club. The Park is also used for a number of community events which include The Merthyr Rocks Festival, Fireworks Sky show, American Circus, Monster Trucks, and Pony Shows etc.

Redhouse

Built in 1896, the Old Town Hall was originally the seat of local government, which included the Council Chamber, Magistrates Court and holding cells for remand prisoners. After years of use as a civic building, these services moved elsewhere in 1989, leaving the Old Town Hall vacant. In the intervening years, the Old Town Hall was divested to private ownership and used as a nightclub where it was unceremoniously vandalised and fell into disuse and disrepair.

Merthyr Tydfil Housing Association resolved to save the building and preserve its unique heritage and character when they purchased the Old Town Hall in 2007. Working with a range of funding partners, the venerable building started the journey towards its new life as a centre for the arts, heritage and creative industries. The Old Town Hall has been extensively renovated and restored, blending its beautiful period features with brand new arts facilities and technologies to make it a truly inspirational building. The magnificent Grade II* listed building reopened to the public on St. David's Day 2014, following an extensive £8m capital redevelopment programme supported by the Welsh Government, European Regional Development Fund, Heritage Lottery Fund & Merthyr Tydfil County Borough Council in association with Miller Argent. On April 1st 2015 the business was transferred under lease to the Merthyr Tydfil Leisure Trust

Leisure Services

The Leisure section of the Trust is responsible for the operation and management of the flag ship Merthyr Tydfil Leisure Centre & Skate Park, Aberfan Community Centre, Treharris Community Centre, and Grove Field Artificial Turf pitch. We also work in partnership with Gŵl to offer activities at the newly built external five a side pitches adjacent to Merthyr Tydfil Leisure Centre and provide support to the Merthyr Tydfil International Bowls Centre. Our venues provide a wide range of opportunities for adults and children that encourage physical activity and sport, such as Swimming, Fitness suites, classes, courses and holiday activity programmes. Our venues are home for many local clubs and sporting organisations that train on a weekly basis and develop their sport. We are also proud to host many large sporting and non-sporting events each year.

Leisure is working in partnership with the Local Authority and contributes to the Single Integrated plan and corporate plan, specifically in the priority area of Healthy and Active lifestyles via its range of facilities and activities. We also deliver the Free Swim and National Exercise Referral Scheme on their behalf. Our Community Sport programmes focus on providing sport and physical activity opportunities within our Leisure facilities for children aged three and upwards via a variety of activities.

Events

Merthyr Tydfil Leisure Trust plays host to a variety of sporting and non-sporting events within its facilities throughout the year such as concerts in the park to darts and boxing events at Merthyr Tydfil Leisure Centre.

Public Benefit

In setting our objectives and planning our activities, the trustees confirm that they have considered the Charity Commission general guidance on public benefit and its supplementary public benefit guidance. Merthyr Tydfil Leisure Trust understands and embraces the need to use commercial practices to deliver social outcome and as such ensures a careful balance between the two. Our Trust continually strives to improve and develop its services and activities.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The Trust has entered into an agreement with Merthyr Tydfil County Borough Council whereby we undertake to deliver a range of services at a variety of facilities, which are owned by the Council and leased to the Trust.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission for England and Wales.

Achievements and performance

Libraries

The year has been a challenging one for Library services, with much of the year spent in lockdown. Since March 2020, library services have not been able to reopen fully to public access, even when restrictions eased due to local lockdowns and spikes in case numbers. Many staff were placed on furlough and when returns were allowed, this was in the form of new working practices, new shift patterns and reduced hours. However, the service adapted quickly and developed new methods of delivery, including increased and non-contact home delivery and online services. Some of the added value activities, such as Story and Rhyme, Bedtime Stories and other activities went online and a new YouTube channel was launched. Home deliveries were expanded to include everyone and staff worked hard to ensure they could do as much as possible to support members during the time.

Many staff volunteered to work in the local mass testing site which was set up in the leisure centre and also operated by the organisation. They worked tirelessly over a six week period and have also supported further mass testing later in the year.

Museum and Art Gallery

As other services, the majority of the year has been spent in lockdown but again staff were innovative and adaptable in their approach to services, again developing a number of online services, talks, information on parts of the collection, showcasing art works, workshops and craft activities.

In the background there was ongoing work in partnership with the local authority around the Crucible and the developments that might happen as part of that.

During the brief period the service was able to welcome customers back, the staff worked hard with senior managers to develop safe practices and operated a safe and welcoming service.

Cyfarthfa Park

During the first lockdown the park remained closed to all visitors as there were concerns around being able to properly segregate the areas which were unable to be opened, such as the playground. Various options were tried and failed, and it was with much regret that the Park remained locked. This decision was not taken easily but was also taken with the wider public safety in mind, as the closure discouraged non-essential travel to the park, which had been a problem.

When the park reopened to welcome visitors it was a welcome move in the local area. Subsequent lockdowns allowed areas such as the playground to remain open and therefore the park has been a haven for people to exercise and enjoy fresh air during the local and national lockdowns, helping to improve people's physical and mental health.

In the background, funding was secured to redevelop the Canolfan building and this work has continued through the latter part of the year and will continue into the following year, with opening due by the summer.

Redhouse

Like other service areas Redhouse has been closed for the most of the year, and again like other service areas has been successful in attracting funding to redevelop some services online so that people would have an avenue for creative activity. New partnerships have been formed and existing partnerships have been developed to create online content and deliver arts activity online, with choirs, craft groups, band labs and others forming just a part of the creative development work.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The College (anchor tenants) were welcomed back in the latter half of the year and plans are now in place to develop a return for other tenants and groups when the restrictions allow.

Leisure

Again, other than a brief period in the middle part of the year, leisure has remained closed to all leisure activity. Again, the staff have adapted and overcome to change working practices, develop new offers and engage digitally with members.

A new loan scheme has been developed for exercise equipment to support people in their own homes and digital classes are well attended with filming having taken place for a range of digital activity moving forward. New digital groups have been developed for members, and staff have taken advantage of various online forums to help provide support for members.

During the period, staff have taken on roles within mass testing and have been the mainstay of the operation within the local area; without them it is unlikely that what began as a trial would have developed the way it did and been so successful.

NERS (National Exercise Referral Scheme)

NERS have been unable to develop any face to face activity during the time, however the team have been heavily involved in providing wellbeing support and advice to the service users through telephone and digital means.

They have been actively involved in Wales wide discussions with the national co-ordinator and other schemes and planning a safe and measured return to activity when it is safe to do so.

Events

It has not been safe for any events to take place during this period, and other than the online and digital content being delivered, there has been no event programming during the year.

Community Activity

Community activity has been ongoing, with the digital content providing services that would otherwise be inaccessible to customers and users. Library services have continued to attract new users for its online services and for its new home delivery service. Deliveries (while being contactless) have provided some much needed interaction for those isolating or shielding. Online delivery of classes, activity and sessions have been a welcome distraction to many who have been finding the lockdowns challenging.

Staff Support throughout the pandemic

Staff have more than proven their resilience through the pandemic, being involved in whole new ways of working and developing activity, alongside their efforts around mass testing. However, in order to further support the staff through the pandemic, the People and Learning Manager has arranged a series of support mechanisms that staff can call on, including but not limited to:

- Mental health support via dedicated phone numbers
- Referral to mental health specialists if required through formal means
- Addendums to policies to support staff through bereavement, caring and other responsibilities during the pandemic
- Ongoing Teams/Zoom meetings, not about work but as a method for keeping in touch
- A commitment to paying 100% of wages as long as able to ensure staff suffer no financial hardship during the furlough period

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The financial statements are set out later in this report. The statement of Financial Activities shows a net unrestricted surplus, before actuarial losses on defined benefit pension schemes, for the year of £368,799 (2020: net unrestricted deficit of £630,573). Income in 2021 was £4,333,839 (2020: £4,235,636) whilst expenditure in 2021 was £3,871,546 (2020: £4,872,818). The actuarial loss on defined benefit pension scheme for the year was £1,183,000 (2020: loss of £671,000).

Pension

On 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Merthyr Tydfil Leisure Trust was retained by Merthyr Tydfil County Borough Council (MTCBC). The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

Full details of the movement in restricted funds is included within note 19 on page 35.

Policy on reserves

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure.

It is the Trust's policy that unrestricted funds not committed or invested should be built up over time, so there are sufficient reserves to meet 2 months of expenditure, in order to allow the ongoing operation of the charity to continue in the event of a fall in expected funding. The trustees consider that the idea level of reserves would be £766,000.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

At 31 March 2021 the free reserves excluding the defined benefit pension reserve amount to £458,863. The pension reserve amounted to a deficit of £4,365,000. At 31 March 2021 restricted reserves were £362,363. The Trust currently holds minimal reserves.

Discussions with Merthyr Tydfil County Borough Council are ongoing to clarify responsibilities for the funding of repairs and maintenance of the properties we currently lease from them. The Trust also aims to build up reserves to fund working capital. All annual surpluses not allocated to fund working capital are available to fund investment into property and equipment to improve service quality. The Trust aims to maintain a minimum unrestricted reserve.

1. Unrestricted Funds

- General Funds – to finance the day-to-day working capital of the business and for the sudden drop in income or unexpected expenditure. They are available for the general purpose of the charity as set out in its articles of association
- Designated Funds – these are monies separately identified, having had prior approval from Trustees, to finance specific projects. Should the charity not use the funds, the unused monies can be moved back into General Funds.

2. Restricted Funds

- Funds held in specific trusts under charity law are classed as restricted fund. The specific trusts may be declared by the donor when making the gift or may result from the terms of an appeal for funds. The specific trusts establish the purpose for which a charity can lawfully use the restricted funds.

The reserves level will be reviewed on an annual basis by the Trustees of Merthyr Tydfil Leisure Trust.

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trust has a risk register for identifying, evaluating and managing risk which is regularly reviewed in order to ensure all principal risks and uncertainties are identified and that robust plans and strategies are in place to manage those risks.

The principle risks and uncertainties facing the Trust moving forward continue to be the risk related to the pandemic and the need to re build customer confidence in returning to use our facilities and the activities we offer. Our marketing Manager has recently launched a new Wellbeing@Merthyr Web site and continues to proactively market our offers via our social media platforms alongside reconnecting with groups, schools and organisations that were using us pre pandemic.

The age and condition of a number of the buildings and the plant within them is also a major concern , discussions are and will continue to be on going with the Local Authority in order to ensure we work together in partnership to resolve the current issues and any that may arise in the future.

Health and Safety

The Trustees have identified health and safety as a significant risk area. Merthyr Tydfil Leisure Trust's duty of care to all those who visit and work within the facilities is of paramount importance to us. We have a service level agreement in place with Merthyr Tydfil County Borough Council who provides us with support, guidance and advice and appointed a Health and Safety Manager in the summer of 2020.

Future

The future plans are as is the case with all charities, businesses and organisations of all types at risk, and will be for the foreseeable future as a result of the impact of the Coronavirus Pandemic.

A lot of work is ongoing to develop new and innovative ways of working while being mindful of the restrictions in place around the services that are provided through us. There is currently a much reduced level of operation and this will provide challenges moving forward.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for the Future

Plans are ongoing now for blended service models to ensure services remain relevant and interesting for customers. Digital technologies, developed out of necessity during the pandemic will be part and parcel of a normal service model moving forward. There will be ongoing work to understand grant funding and support funding available to us and partnership development, which has already been started, will be built on and we will work with those partners to support our communities further as we look to recover from the devastating effects of the pandemic, that have had personal and organisational wide impacts.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

Nature of governing document

Merthyr Tydfil Leisure Trust is a Charitable Company Limited by Guarantee and governed by its Memorandum and Articles of Association, which establishes the objectives and powers of the charitable company.

Recruitment and appointment of trustees

New Trustees will be appointed by existing trustees.

Induction and training of trustees

In line with good governance, we put in place an induction process for New Board members.

Organisational Structure

The day to day operations of the Trust are managed by the Trust's Senior Management Team. The Senior Management Team is given strategic direction by the Board of Trustees (The Board) regarding the provision and operation of the services. The Chief Executive is the officer with delegated authority in respect of day to day management.

In addition, the Board of Trustees may delegate any of its powers to committees in accordance with its articles. Committees will only consider matters which fall within the defined area of responsibility that the Board has delegated to them. The board had delegated certain responsibilities to the following Subgroups:

- Change Board
- Finance and Risk Sub Committee
- Culture Sub Committee
- Leisure Sub Committee

The Board has ultimate responsibility for the governance of the Trust and directs, supports and challenges the Senior Management team in its work. Through the provision of such direction and guidance, via the establishment of key policies, the Trust benefits from the foundation of good governance and a balanced Board of trustees, that is both diverse and effective.

The Current Senior Management team consist of:

Jane Sellwood – Interim CEO from Jan 2021, CEO from April 2021

Marian Barnes – Accountant (From Mitchell Meredith Chartered Accountants)

Ian Carter – Wellbeing Operations Manager (from Jan 2021)

Wendy Groves – Business Development and Finance Manager & Secretary

Leon Phibben – People and Learning Manager

Employee Involvement

Merthyr Tydfil Leisure Trust is committed to delivering excellent services to its customers and we recognise and appreciate that it is our employees who are key to the success of the Trust. The trust employs on average 100 staff depending on the time of year and we are unwavering in our commitment to their wellbeing and development. The Trust is committed to continuously improving our services and our performance for our customers and we fully recognise that our people development and continued learning is essential to help us to achieve this.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union Representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

MERTHYR TYDFIL LEISURE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reference and administrative details

Company number 09172730

Charity number 1160964

Registered office
Central Library
High Street
Merthyr Tydfil
CF47 8AF

Trustees
H L Kester (Chair)
A G Jones
Cllr D Sammon - Resigned 29 March 2021
M T Anderson
J C Ashdown
S Methuen (Vice Chair)
D A Lewis
M E Jones - appointed 29/6/21

Company secretary W M Groves - appointed 9/3/21

Chief Executive Officer K J Sellwood

Other Key management personnel W M Groves - Head of Leisure

Auditors
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff
CF23 8AB

Bankers
Barclays Bank PLC
47 High Street
Merthyr Tydfil
CF47 8DL

Auditor

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

H Kester
Trustee
Dated: 5 October 2021



MERTHYR TYDFIL LEISURE TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Merthyr Tydfil Leisure Trust Limited for the purpose 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Opinion

We have audited the financial statements of Merthyr Tydfil Leisure Trust Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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's 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 financial statements are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

18-10-2021

**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

MERTHYR TYDFIL LEISURE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERTHYR TYDFIL LEISURE TRUST LIMITED

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MERTHYR TYDFIL LEISURE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	2,767	-	2,767	2,373	31,815	34,188
Charitable activities	4	3,302,994	1,027,697	4,330,691	4,171,928	28,638	4,200,566
Investments	5	381	-	381	882	-	882
Total income		3,306,142	1,027,697	4,333,839	4,175,183	60,453	4,235,636
Expenditure on:							
Charitable activities	6	2,918,819	952,727	3,871,546	4,805,756	67,062	4,872,818
Net incoming/ (outgoing) resources before transfers		387,323	74,970	462,293	(630,573)	(6,609)	(637,182)
Gross transfers between funds		(18,524)	18,524	-	-	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		368,799	93,494	462,293	(630,573)	(6,609)	(637,182)
Other recognised gains and losses							
Actuarial loss on defined benefit pension schemes		(1,183,000)	-	(1,183,000)	(671,000)	-	(671,000)
Net movement in funds		(814,201)	93,494	(720,707)	(1,301,573)	(6,609)	(1,308,182)
Fund balances at 1 April 2020		(3,049,101)	268,869	(2,780,232)	(1,747,528)	275,478	(1,472,050)
Fund balances at 31 March 2021		(3,863,302)	362,363	(3,500,939)	(3,049,101)	268,869	(2,780,232)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERTHYR TYDFIL LEISURE TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		271,866		296,759
Current assets					
Stocks	11	33,545		32,675	
Debtors	12	348,138		220,409	
Cash at bank and in hand		821,557		136,264	
			1,203,240		389,348
Creditors: amounts falling due within one year	13	(596,982)		(620,339)	
Net current assets/(liabilities)			606,258		(230,991)
Total assets less current liabilities			878,124		65,768
Creditors: amounts falling due after more than one year	15		(14,063)		-
Provisions for liabilities			(4,365,000)		(2,846,000)
Net liabilities			(3,500,939)		(2,780,232)
Income funds					
Restricted funds	19		362,363		268,869
<u>Unrestricted funds</u>					
General unrestricted funds		501,698		(203,101)	
Pension reserve		(4,365,000)		(2,846,000)	
			(3,863,302)		(3,049,101)
			(3,500,939)		(2,780,232)

MERTHYR TYDFIL LEISURE TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 5 October 2021

H L Kester
Trustee



Company Registration No. 09172730

MERTHYR TYDFIL LEISURE TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	23		676,252		18,723
Investing activities					
Purchase of tangible fixed assets		(5,403)		(298,634)	
Investment income received		381		882	
Net cash used in investing activities			(5,022)		(297,752)
Financing activities					
Repayment of borrowings		14,063		-	
Net cash generated from/(used in) financing activities			14,063		-
Net increase/(decrease) in cash and cash equivalents			685,293		(279,029)
Cash and cash equivalents at beginning of year			136,264		415,293
Cash and cash equivalents at end of year			<u>821,557</u>		<u>136,264</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Merthyr Tydfil Leisure Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Central Library, High Street, Merthyr Tydfil, Mid Glamorgan, CF47 8AF, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the defined pension liability at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The trust has incurred an unrestricted surplus in the year to 31 March 2021 (before loss on defined benefit pension scheme) of £368,799 and, as at 31 March 2021, the Trust has negative free reserves of £3,906,137. However, after excluding the defined benefit pension liability the trust has positive free reserves of £458,863.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. As detailed in the Trustees Report, the trust has continued in its efforts to ensure that it is a going concern.

The trust has introduced more controls on budget to improved financial practices; a governance structure has been created with appropriate terms of reference for board meetings and sub-committees. The trustees are endeavouring to ensure the trust's continuing success through a combination of measures: by offering a better programme of activities to cater for a broader audience and encourage additional visitors/users, by identifying further income generating activities, and by working with our local authority partner to ensure their continued support.

After reviewing the trust's forecasts and projections to 31 March 2022 and at the time of approving the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. New measures, controls and procedures have been put in place since the end of financial year to 31 March 2019, which it is hoped will enable the trust to build and grow its reserves over the current and future years.

The trustees are aware that there is uncertainty regarding:

- a) certain figures of both income and expenditure included within the forecasts and projections, and
- b) the success of the new controls, measures, procedures and improved financial practices.

Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from 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. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

1.5 Resources expended

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. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees' report and their associated support costs.

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

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

An analysis has been provided for the charitable activities on a departmental basis.

The departments are defined as follows:

Merthyr Tydfil Leisure Centre
Aberfan Leisure Centre
Libraries
Museums
Redhouse
Other activities

Costs where possible are attributed directly to the activity in which they relate. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost category on a basis consistent with the use of resources.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

It is not the policy of the charitable company to show incoming resources net of expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	25% straight line/ over contract term
Fixtures and fittings	25% straight line
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost or net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

As a registered charity Merthyr Leisure Trust Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The Trust operates a defined benefit pension scheme. The scheme, the Rhondda Cynon Taf County Borough Council Pension Fund, is a multi-employer defined benefit scheme. This is part of the Local Government Pension Scheme (the "LGPS").

On the 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Merthyr Tydfil Leisure Trust was retained by Merthyr Tydfil county Borough Council (MTCBC). The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pensions Scheme Regulations 2016" and "The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014".

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. An actuarial valuation of the Fund was carried out at 31 March 2019 and as part of that valuation a new Rates and Adjustment Certificate was produced for the three-year period from 1 April 2017.

The Fund Administering Authority, Rhondda Cynon Taf County Borough Council, is responsible for the governance of the fund.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Retirement benefit scheme

As set out in notes, the charity operates a defined benefit pension scheme for all qualifying employees. The accounting cost of these benefits and the present value of the pension liabilities involved judgements about uncertain events including such factors as the life expectancy of members, the salary progression of current employees, price inflation and the discount rate used to calculate the net present value of the future pension payments. Estimates are used for all of these factors in determining the pension costs and liabilities incorporated in the financial statements. The assumptions reflect historical experience and judgement regarding future expectations and external actuarial specialists are also used to assist the exercise.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	£	£	£
Donations and gifts	2,767	2,373	31,815	34,188

4 Charitable activities

	2021	2020
	£	£
Merthyr Tydfil Leisure Centre	565,425	1,082,958
Aberfan Leisure Centre	239,036	183,037
Libraries	221,930	10,537
Management fees	2,424,353	2,424,287
Museums	148,324	60,031
Redhouse	517,118	289,638
Other activities	214,505	150,078
	<u>4,330,691</u>	<u>4,200,566</u>
Analysis by fund		
Unrestricted funds	3,302,994	4,171,928
Restricted funds	1,027,697	28,638
	<u>4,330,691</u>	<u>4,200,566</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	381	882

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	2021 £	2020 £
Merthyr Tydfil Leisure Centre	1,031,754	1,711,497
Aberfan Leisure Centre	467,860	502,998
Libraries	440,631	596,572
Museums	333,654	387,020
Redhouse	298,378	309,564
Other activities	267,207	330,572
	<u>2,839,484</u>	<u>3,838,223</u>
Share of support costs (see note 7)	968,589	971,624
Share of governance costs (see note 7)	63,473	62,971
	<u>3,871,546</u>	<u>4,872,818</u>
Analysis by fund		
Unrestricted funds	2,918,819	4,805,756
Restricted funds	952,727	67,062
	<u>3,871,546</u>	<u>4,872,818</u>

The amount of support and governance costs attributable to each activity is as follows:

Merthyr Tydfil Leisure Centre: £340,581 (2020: £341,416)

Aberfan Leisure Centre: £87,725 (2020: £87,941)

Libraries: £113,527 (2020: £113,805)

Museums: £87,725 (2020: £87,941)

Redhouse: £113,527 (2020: £113,805)

Other activities: £288,978 (2020: £289,686)

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	445,001	6,938	451,939	321,357	4,200	325,557
Establishment costs	76,063	1,552	77,615	92,436	1,886	94,322
Legal and professional	363,442	7,417	370,859	413,516	8,439	421,955
Repairs and maintenance	241	5	246	226	5	231
Office expenses	47,420	968	48,388	40,661	830	41,491
Printing, postage & stationery	1,484	30	1,514	2,015	42	2,057
Sundry expenses	17,378	355	17,733	73,375	1,497	74,872
Advertising	1,864	38	1,902	7,323	149	7,472
Bad debts	2,455	50	2,505	223	5	228
Bank charges	13,241	270	13,511	20,492	418	20,910
Accountancy and audit fees	-	45,850	45,850	-	45,500	45,500
	<u>968,589</u>	<u>63,473</u>	<u>1,032,062</u>	<u>971,624</u>	<u>62,971</u>	<u>1,034,595</u>
Analysed between Charitable activities	<u>968,589</u>	<u>63,473</u>	<u>1,032,062</u>	<u>971,624</u>	<u>62,971</u>	<u>1,034,595</u>

Governance costs includes payments to the auditors of £9,600 for audit fees (2020: £9,500) for audit fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the charity during the current or prior year.

No trustees were reimbursed for expenses during the current or prior year.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Staff	103	148

Employment costs

	2021 £	2020 £
Wages and salaries	1,694,558	2,038,713
Social security costs	115,683	129,066
Other pension costs	578,000	735,000
	<u>2,388,241</u>	<u>2,902,779</u>

During the year the charity made redundancy and termination payments which totalled £nil (2020: £3,808). There were no amounts outstanding at the current or prior year end.

The total amount paid to key management personnel for their services to the charity during the year totalled £117,061 (2020: £106,288)

10 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2020	276,374	167,759	31,944	476,077
Additions	-	5,403	-	5,403
At 31 March 2021	<u>276,374</u>	<u>173,162</u>	<u>31,944</u>	<u>481,480</u>
Depreciation and impairment				
At 1 April 2020	26,843	126,671	25,804	179,318
Depreciation charged in the year	15,674	12,258	2,364	30,296
At 31 March 2021	<u>42,517</u>	<u>138,929</u>	<u>28,168</u>	<u>209,614</u>
Carrying amount				
At 31 March 2021	<u>233,857</u>	<u>34,233</u>	<u>3,776</u>	<u>271,866</u>
At 31 March 2020	<u>249,531</u>	<u>41,088</u>	<u>6,140</u>	<u>296,759</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	33,545	32,675

12 Debtors

Amounts falling due within one year:		2021 £	2020 £
Trade debtors		149,417	64,678
Other debtors		143,022	98,662
Prepayments and accrued income		55,699	57,069
		<u>348,138</u>	<u>220,409</u>

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		27,581	29,422
Deferred income	14	5,457	6,569
Trade creditors		180,971	202,095
Other creditors		267,890	298,652
Accruals and deferred income		115,083	83,601
		<u>596,982</u>	<u>620,339</u>

14 Deferred income

	2021 £	2020 £
Other deferred income	5,457	6,569
	<u>5,457</u>	<u>6,569</u>
	2021 £	2020 £
Balance as at 1st April	6,569	19,804
Income received in the year	354,892	440,638
Released to income	(356,004)	(453,873)
	<u>5,457</u>	<u>6,569</u>
Balance as at 31st March	5,457	6,569

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Deferred income

(Continued)

Deferred income relates to performance related grant funding, membership income and events income received in advance and which relates to future financial periods.

15 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Borrowings	14,063	-

16 Loans and overdrafts

	2021 £	2020 £
Other loans	14,063	-
Payable after one year	14,063	-

Amounts included above which fall due after five years:

Payable by instalments	14,063	-
------------------------	--------	---

A loan amount of £14,063 was received in December 2020 from WCVA with interest payable after 12 months at a rate of 2%. A payment plan is yet to be arranged; this will be set at the end of the first 12 months.

Provisions for liabilities

	Notes	2021 £	2020 £
Retirement benefit obligations	18	4,365,000	2,846,000

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Retirement benefit schemes

On the 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Merthyr Tydfil Leisure Trust was retained by Merthyr Tydfil county Borough Council (MTCBC). The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

The charity operates a defined benefit pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Defined benefit schemes

Key assumptions

	2021	2020
	%	%
Discount rate	2.1	2.3
Expected rate of increase of pensions in payment	2.6	1.8
Expected rate of salary increases	3.85	3.05
RPI Inflation	2.6	2.7
CPI Inflation	2.6	1.8

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021	2020
	Years	Years
Retiring today		
- Males	21.8	21.7
- Females	24.1	24
Retiring in 20 years		
- Males	22.8	22.7
- Females	25.6	25.5

Amounts recognised in the profit and loss account:

	2021	2020
	£	£
Current service cost	515,000	575,000
Net interest on defined benefit liability/(asset)	63,000	39,000
Other costs and income	-	121,000
Total costs	578,000	735,000

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2021 £	2020 £
Actual return on scheme assets	(2,040,000)	20,000
Less: calculated interest element	142,000	149,000
Return on scheme assets excluding interest income	(1,898,000)	169,000
Actuarial changes related to obligations	3,081,000	502,000

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2021 £	2020 £
Present value of defined benefit obligations	12,703,000	8,918,000
Fair value of plan assets	(8,338,000)	(6,072,000)
Deficit in scheme	4,365,000	2,846,000

Movements in the present value of defined benefit obligations:

	2021 £
Liabilities at 1 April 2020	8,918,000
Current service cost	515,000
Benefits paid	(108,000)
Contributions from scheme members	92,000
Actuarial gains and losses	3,081,000
Interest cost	205,000
At 31 March 2021	12,703,000

The defined benefit obligations arise from plans which are wholly or partly funded.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2021 £
Fair value of assets at 1 April 2020	6,072,000
Interest income	142,000
Return on plan assets (excluding amounts included in net interest)	1,898,000
Benefits paid	(108,000)
Contributions by the employer	242,000
Contributions by scheme members	92,000
At 31 March 2021	<u>8,338,000</u>

The fair value of plan assets at the reporting period end was as follows:

	2021 £	2020 £
Equity instruments	6,045,050	4,135,032
Debt instruments	1,717,628	1,408,704
Property	525,294	455,400
Cash	50,028	72,864
	<u>8,338,000</u>	<u>6,072,000</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019		Movement in funds			Balance at 1 April 2020			Movement in funds			Balance at 31 March 2021	
	£	£	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£	£	£
Merthyr Tydfil County Borough Council - Capital COVID-19	-	-	2,808	(234)	2,574	-	(702)	-	-	-	-	-	1,872
Arts Council of Wales	-	-	23,283	-	23,283	233,846	(142,946)	-	-	-	-	-	90,900
Welsh Books Council	-	-	500	(500)	-	-	-	-	-	-	-	-	23,283
Welsh Government - Capital	250,000	-	-	(7,613)	242,387	-	(15,228)	-	-	-	-	-	227,159
The Dunhill Medical Trust	18,524	-	-	(18,524)	-	-	-	-	-	-	18,524	-	18,524
The Federation of Museum and Art Galleries of Wales	2,482	-	2,047	(3,904)	625	-	-	-	-	-	-	-	625
Big Lottery Fund	4,472	-	-	(4,472)	-	-	-	-	-	-	-	-	-
Job Retention Scheme	-	-	31,815	(31,815)	-	793,851	(793,851)	-	-	-	-	-	-
	275,478	-	60,453	(67,062)	268,869	1,027,697	(952,727)	-	18,524	-	-	-	362,363

MERTHYR TYDFIL LEISURE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19 Restricted funds (Continued)

Merthyr Tydfil County Borough Council - Capital - Funding to cover the cost of a pool platform to assist with the provision of swimming lessons in the area.

COVID-19 - Funding from the following organisations to assist the Trust through, and to aid recovery from, the Covid 19 pandemic:

Voluntary Action Merthyr Tydfil: £5,515

Sports Wales: £30,000

Arts Council of Wales: £81,500

Wales Council for Voluntary Action: £35,830

Welsh Government - Museum: £25,309

Merthyr Tydfil County Borough Council - Revenue: £41,790

Welsh Museums Federation: £8,902

Denbighshire County Council: £5,000

Arts Council of Wales - Funding to develop the audience beyond the existing network through a programme of visual and performing arts.

Welsh Books Council - Funding for reading initiatives.

Welsh Government - Capital - Funding for improvements at Aberfan Leisure Centre under the community facility programme.

The Dunhill Medical Trust - Funding for the ARTiculate project.

The Federation of Museum and Art Galleries of Wales - Funding for access to art project.

Big Lottery Fund - Funding received to fund a community programme.

Job Retention Scheme - Funding is to support wages costs during the Covid-19 pandemic.

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	42,835	229,031	271,866	51,798	244,961	296,759
Current assets/ (liabilities)	472,926	133,332	606,258	(254,899)	23,908	(230,991)
Long term liabilities	(14,063)	-	(14,063)	-	-	-
Provisions and pensions	(4,365,000)	-	(4,365,000)	(2,846,000)	-	(2,846,000)
	<u>(3,863,302)</u>	<u>362,363</u>	<u>(3,500,939)</u>	<u>(3,049,101)</u>	<u>268,869</u>	<u>(2,780,232)</u>

21 Related party transactions

Merthyr Tydfil Leisure Trust Limited is the trustee of the charity Aberfan Disaster Fund and Centre (charity number: 251829).

There were no transactions between the two charities during the current or prior year. No balances were outstanding at 31st March 2021 (2020: £nil).

There were no other disclosable related party transactions during the year (2020 - none).

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	25,002	25,002
Between two and five years	100,008	100,008
In over five years	225,018	250,020
	<u>350,028</u>	<u>375,030</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	203,105	206,950
Between two and five years	312,524	512,524
In over five years	2,921	5,922
	<u>518,550</u>	<u>725,396</u>

23 Cash generated from operations

	2021 £	2020 £
Surplus/ (deficit) for the year	462,293	(637,182)
Adjustments for:		
Investment income recognised in statement of financial activities	(381)	(882)
Depreciation and impairment of tangible fixed assets	30,296	38,526
Difference between pension charge and cash contributions	336,000	520,000
Movements in working capital:		
(Increase)/decrease in stocks	(870)	9,815
(Increase)/decrease in debtors	(127,729)	10,282
(Decrease)/increase in creditors	(22,245)	91,399
(Decrease) in deferred income	(1,112)	(13,235)
Cash generated from operations	<u>676,252</u>	<u>18,723</u>

MERTHYR TYDFIL LEISURE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Analysis of changes in net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	136,264	685,293	821,557
Loans falling due after more than one year	-	(14,063)	(14,063)
	<u>136,264</u>	<u>671,230</u>	<u>807,494</u>