

COMPANY REGISTRATION NUMBER: 06337728
CHARITY REGISTRATION NUMBER: 1190403

Bay Leisure Limited and its Subsidiaries
Charitable Company Limited by Guarantee
Annual Report and Consolidated Financial
Statements
For the year ended
31 March 2022

Bay Leisure Limited and its Subsidiaries
Charitable Company Limited by Guarantee
Annual Report and Consolidated Financial Statements
Year ended 31 March 2022

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Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the Annual Report and Consolidated Financial Statements of the charity for the year ended 31 March 2022.

Reference and administrative details

| | | |
|---|--|----------------------------|
| Registered charity name | Bay Leisure Limited and its Subsidiaries | |
| Charity registration number | 1190403 | |
| Company registration number | 06337728 | |
| Principal office and registered office | Suite 4 St Helens Rugby and Cricket Ground Bryn Road Swansea SA2 0AR | |
| The trustees | J A Charles R G Davies P N Hawkins R D Thomas M K Williams P H Thorburn | (Appointed 1 October 2021) |
| Company secretary | D J Evans | |
| Auditor | Clay Shaw Thomas Ltd Chartered accountants & statutory auditor 2 Oldfield Road Bocam Park Bridgend CF35 5LJ | |
| Bankers | Barclays Bank Plc 262 Oxford Street Swansea West Glamorgan SA1 3BR | |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Structure, governance and management

Governing Document:

Bay Leisure Limited was incorporated on 8th August 2007 and registered with the Charity Commission on 14th July 2020. Bay Leisure Limited is a company limited by guarantee and governed by its Articles of Association.

Recruitment and appointment of trustees:

Trustees shall be persons who through residence, occupation, employment or otherwise have special knowledge of the area of benefit or who are otherwise able by virtue of their personal or professional qualifications to make a contribution to the pursuit of the objects of the charity.

Trustees are directors of the company for the purpose of company law. All trustees as at the date of this report and whom held office throughout the year are shown on page 1.

Objectives and activities

The objects of the Charity are specifically restricted to the following:

- The promotion of community participation in healthy recreation for the public benefit by the provision of community gym facilities and related exercise activities and classes.

During the period the Charity carried out these objectives through the provision of high quality, affordable fitness facilities. These facilities were made available to the whole community on both an ongoing membership and pay and play basis.

The Trustees confirm that they have reviewed the Charity Commission guidelines on public benefit and consider a public benefit is provided through its objects and associated activities.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

2021/22 has been another challenging year for the Charity, with the wider macroeconomic challenges such as the cost-of-living crisis adding to the financial pressures of the gradual recovery from the Covid 19 pandemic. The cost-of-living crisis and increased competition have impacted on membership numbers and the business has been faced with increased overhead levels, including utility costs.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Financial review

During the 2021/22 financial year, the Charity recorded a deficit before tax of £322,416. This deficit was primarily due to the fact that membership and income levels were still recovering following the impact of the Covid 19 pandemic and the subsequent lockdowns. It is positive that income levels have however largely recovered to pre pandemic levels as we approach the end of 2022.

At the end of the reporting period the Charity remains in a solid financial position, as is shown by the Consolidated Statement of Financial Position on page 12 of this Report. The Charity has unrestricted funds of £3,119,639 and a cash balance of £1,161,175 at the period end.

Plans for future periods

2022/23 is projected to be another challenging year for the Charity. Increased competition and cost of living pressures, combined with the wider macroeconomic environment, are likely to place pressure on membership and income levels. Nevertheless, the low-cost proposal and business model supports the view that the business will continue to operate successfully.

Key areas of focus are:

- Continue to regrow membership, income and usage levels;
- Review all areas of expenditure to maximise efficiency and economies of scale; and
- Support the team to maximise staff welfare and retention.

Going concern

Although 2021/22 has been a challenging year, the financial position of the Charity at the end of the reporting period, along with the fact that income levels have now largely returned to pre pandemic levels, give the Trustees the confidence that the future for the organisation is a positive one and that the Going Concern assumption remains appropriate.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the Annual Report and Consolidated Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare Annual Report and Consolidated Financial Statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

In preparing these Annual Report and Consolidated Financial Statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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 Annual Report and Consolidated Financial Statements;
- prepare the Annual Report and Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Annual Report and Consolidated 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on16.12.22..... and signed on behalf of the board of trustees by:



P N Hawkins
Trustee



M K Williams
Trustee

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries

Year ended 31 March 2022

Opinion

We have audited the Annual Report and Consolidated Financial Statements of Bay Leisure Limited and its Subsidiaries (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Annual Report and Consolidated Financial Statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 annual report and consolidated 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 Annual Report and Consolidated 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 Annual Report and Consolidated Financial Statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Annual Report and Consolidated 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 Annual Report and Consolidated 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.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries *(continued)*

Year ended 31 March 2022

Emphasis of matter

We draw your attention to note 31 of financial statements which adjustments made to the prior year where comparatives have been restated to reflect a reclassification of leases and their associated assets.

A review was undertaken of the lease agreements to identify the substance of the historical transactions, rather than the legal form of the contracts. This resulted in a situation whereby the risks and rewards incidental to ownership had been substantially transferred to the Charity.

Adjustments have been made for the initial recognition of the finance leases and corresponding assets at the commencement of the lease term, followed by adjustments for their subsequent measurement for finance costs and depreciation.

Other information

The other information comprises the information included in the annual report, other than the Annual Report and Consolidated Financial Statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Annual Report and Consolidated Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Annual Report and Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Report and Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Annual Report and Consolidated Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the Annual Report and Consolidated Financial Statements are prepared is consistent with the Annual Report and Consolidated Financial Statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries *(continued)*

Year ended 31 March 2022

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Annual Report and Consolidated Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Annual Report and Consolidated 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 Annual Report and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Report and Consolidated Financial Statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries *(continued)*

Year ended 31 March 2022

Auditor's responsibilities for the audit of the annual report and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Annual Report and Consolidated 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 Annual Report and Consolidated Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including UK Companies Act, employment law, health & safety regulations and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Charity is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Charity financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and reviewing journal entries.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries *(continued)*

Year ended 31 March 2022

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Report and Consolidated 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Report and Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Report and Consolidated Financial Statements, including the disclosures, and whether the Annual Report and Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries *(continued)*

Year ended 31 March 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr David Gwyn J. Williams B.A., F.C.A (Senior Statutory Auditor)

For and on behalf of
Clay Shaw Thomas Ltd
Chartered accountants & statutory auditor
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

21/12/2022.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

| | | 2022 | 2021 |
|---|-------|--------------------|--------------------|
| | | Unrestricted funds | Total funds |
| | Note | £ | £ |
| Income and endowments | | | |
| Donations and grants | 5 | 142,196 | 593,977 |
| Charitable activities | 6 | 3,885,626 | 3,049,414 |
| Other trading activities | 7 | 47,006 | 12,970 |
| Investment income | 8 | 649 | 17 |
| Other income | 9 | 7,858 | – |
| Total income | | 4,083,335 | 3,656,378 |
| Expenditure | | | |
| Expenditure on raising funds: | | | |
| Costs of other trading activities | 10 | (504) | (1,411) |
| Expenditure on charitable activities | 11,12 | (4,360,602) | (3,853,220) |
| Taxation | 14 | (44,645) | 425,302 |
| Total expenditure | | (4,405,751) | (3,429,329) |
| Net (expenditure)/income and net movement in funds | | (322,416) | 227,049 |
| Reconciliation of funds | | | |
| Total funds brought forward as previously reported | | 3,697,925 | 3,215,006 |
| Prior year adjustment | | (255,870) | – |
| Total funds brought forward as restated | | 3,442,055 | 3,215,006 |
| Total funds carried forward | | 3,119,639 | 3,442,055 |

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

The notes on pages 15 to 34 form part of these Annual Report and Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Consolidated Statement of Financial Position

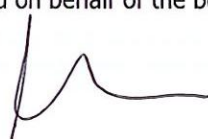
31 March 2022

| | Note | 2022 £ | 2021 (restated) £ |
|--|------|-----------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 19 | 566,323 | 663,407 |
| Tangible fixed assets | 20 | 3,061,439 | 3,672,258 |
| | | 3,627,762 | 4,335,665 |
| Current assets | | | |
| Debtors | 22 | 1,032,858 | 944,589 |
| Cash at bank and in hand | | 1,161,175 | 1,463,930 |
| | | 2,194,033 | 2,408,519 |
| Creditors: Amounts falling due within one year | 23 | 1,989,301 | 2,025,657 |
| Net current assets | | 204,732 | 382,862 |
| Total assets less current liabilities | | 3,832,494 | 4,718,527 |
| Creditors: Amounts falling due after more than one year | 24 | 667,855 | 1,276,472 |
| Provisions | 27 | 45,000 | – |
| Net assets | | 3,119,639 | 3,442,055 |
| Funds of the charity | | | |
| Unrestricted funds | | 3,119,639 | 3,442,055 |
| Total charity funds | 29 | 3,119,639 | 3,442,055 |

These Annual Report and Consolidated Financial Statements were approved by the board of trustees and authorised for issue on 16.12.22, and are signed on behalf of the board by:



P N Hawkins
Trustee



M K Williams
Trustee

The notes on pages 15 to 34 form part of these Annual Report and Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Charity Statement of Financial Position

31 March 2022

| | Note | 2022 £ | 2021 (restated) £ |
|--|------|------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 19 | 936,757 | 1,075,000 |
| Tangible fixed assets | 20 | 3,061,439 | 3,672,258 |
| Investments | 21 | 100 | 100 |
| | | <u>3,998,296</u> | <u>4,747,358</u> |
| Current assets | | | |
| Debtors | 22 | 961,307 | 17,573 |
| Cash at bank and in hand | | <u>960,979</u> | <u>1,237,784</u> |
| | | 1,922,286 | 1,255,357 |
| Creditors: amounts falling due within one year | 23 | 1,965,341 | 1,091,408 |
| Net current liabilities | | <u>(43,055)</u> | <u>163,949</u> |
| Total assets less current liabilities | | 3,955,241 | 4,911,307 |
| Creditors: amounts falling due after more than one year | 24 | 667,855 | 1,276,472 |
| Provisions | 27 | 45,000 | — |
| Net assets | | <u>3,242,386</u> | <u>3,634,835</u> |
| Funds of the charity | | | |
| Unrestricted funds | | 3,242,386 | 3,634,835 |
| Total charity funds | | <u>3,242,386</u> | <u>3,634,835</u> |

These financial statements were approved by the board of trustees and authorised for issue on 16.12.22, and are signed on behalf of the board by:



P N Hawkins
Trustee



M K Williams
Trustee

The notes on pages 15 to 34 form part of these Annual Report and Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 March 2022

| | 2022 | 2021 (restated) |
|---|-----------|--------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net (expenditure)/income | (322,416) | 227,049 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 636,392 | 658,522 |
| Amortisation of intangible assets | 97,084 | 48,547 |
| Other interest receivable and similar income | (649) | (17) |
| Interest payable and similar charges | 153,206 | 221,846 |
| Gains on disposal of tangible fixed assets | (7,858) | – |
| Taxation | 44,645 | (425,302) |
| Accrued expenses | 47,683 | 192,842 |
| <i>Changes in:</i> | | |
| Stocks | – | 1,772 |
| Trade and other debtors | (88,269) | (230,032) |
| Trade and other creditors | 113,784 | 422,807 |
| Provisions and employee benefits | 45,000 | – |
| Cash generated from operations | 718,602 | 1,118,034 |
| Interest received | 649 | 17 |
| Tax (paid)/received | (77,765) | 209,777 |
| Net cash from operating activities | 641,486 | 1,327,828 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (26,049) | (350,683) |
| Proceeds from sale of tangible assets | 8,333 | – |
| Net cash used in investing activities | (17,716) | (350,683) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | – | 400,000 |
| Repayments of borrowings | (83,744) | – |
| Payments of finance lease liabilities | (842,781) | (576,064) |
| Net cash used in financing activities | (926,525) | (176,064) |
| Net (decrease)/increase in cash and cash equivalents | (302,755) | 801,081 |
| Cash and cash equivalents at beginning of year | 1,463,930 | 662,849 |
| Cash and cash equivalents at end of year | 1,161,175 | 1,463,930 |

The notes on pages 15 to 34 form part of these Annual Report and Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Suite 4, St Helens Rugby and Cricket Ground, Bryn Road, Swansea, SA2 0AR.

2. Statement of compliance

These Annual Report and Consolidated Financial Statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling, which is the functional currency of the group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Charity and all group undertakings. As a consolidated Statement of Financial Activities and income and expenditure account is published, a separate Statement of Financial Activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Going concern

The trustees have assessed whether there are any material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue. In assessing whether the going concern assumption is appropriate, the trustees have taken in to account all available information about the future, and conclude that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 20 for the carrying amount of the property, plant and equipment and note 3 for the useful economic lives for each class of assets.

(ii) Classification of leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. The Charity will form a judgement on each lease contract whereby examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease as follows:

- The lease transfers ownership of the asset to the lessee by the end of the lease term;
- The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- The lease term is for the major part of the economic life of the asset even if title is not transferred;
- At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and
- The leased assets are of such a specialised nature that only the lessee can use them without major modifications.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Donations and grants - revenue grants are credited as incoming resources in the period to which they relate provided conditions for receipt have been complied with.
- Charitable activities - health and fitness income is recognised with the delivery of the contracted service.
- Trading income - all trading income is accounted for on an accruals basis. This income includes food and beverage sales, retail sales, room hire and soft play.
- Investment income - investment income is accounted for on an accruals basis and relates to bank interest.
- Other income - all other income is included in the statement of financial activities in the period to which it relates provided the charity is legally entitled to the income.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Costs of trading activities comprises those costs incurred by the charity in respect of food and beverage sales, retail sales, room hire and soft play.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs are those that assist the work of the charity but do not directly represent charitable activities.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

| | | |
|----------|---|-------------------|
| Goodwill | - | 10% straight line |
|----------|---|-------------------|

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|----------------|---|---------------------------------|
| Motor vehicles | - | straight line over 5 years |
| Equipment | - | straight line over 3 - 15 years |

Investments

Investments in subsidiaries are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

4. Limited by guarantee

The Charitable Company is limited by guarantee. Under Clause 3 of the Articles of Association, all members undertake to contribute to the Charitable Company such an amount as may be required, not exceeding £1, in the event of it being wound up during the period of membership and within one year afterwards.

5. Donations and grants

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|---|-----------------------|-----------------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Grants | | | | |
| Government grants - Coronavirus Job Retention Scheme | 43,090 | 43,090 | 430,121 | 430,121 |
| Government grants - Local Government Coronavirus Grants | 99,106 | 99,106 | 163,856 | 163,856 |
| | <u>142,196</u> | <u>142,196</u> | <u>593,977</u> | <u>593,977</u> |

6. Charitable activities

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|--------------------|-----------------------|-----------------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Health and fitness | <u>3,885,626</u> | <u>3,885,626</u> | <u>3,049,414</u> | <u>3,049,414</u> |

7. Other trading activities

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|----------------------------|-----------------------|-----------------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Vending machine commission | 12,715 | 12,715 | 2,059 | 2,059 |
| Retail sales | 86 | 86 | 1,094 | 1,094 |
| Room hire | 34,205 | 34,205 | 9,569 | 9,569 |
| Soft play | — | — | 248 | 248 |
| | <u>47,006</u> | <u>47,006</u> | <u>12,970</u> | <u>12,970</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

8. Investment income

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|---------------------------|-----------------------|---------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Bank interest receivable | 25 | 25 | 17 | 17 |
| Other interest receivable | 624 | 624 | — | — |
| | <u>649</u> | <u>649</u> | <u>17</u> | <u>17</u> |

9. Other income

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|---|-----------------------|---------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Gain on disposal of tangible fixed assets held for charity's own use | 7,858 | 7,858 | — | — |
| | <u>7,858</u> | <u>7,858</u> | <u>—</u> | <u>—</u> |

10. Costs of other trading activities

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|---------------------------|-----------------------|---------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Food & beverage purchases | — | — | 826 | 826 |
| Retail purchases | 504 | 504 | 585 | 585 |
| | <u>504</u> | <u>504</u> | <u>1,411</u> | <u>1,411</u> |

11. Expenditure on charitable activities by fund type

| | Unrestricted Funds | Total Funds 2022 | Unrestricted Funds | Total Funds 2021 <i>(restated)</i> |
|--------------------|-----------------------|---------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Health and fitness | 3,820,913 | 3,820,913 | 3,286,414 | 3,286,414 |
| Support costs | 539,689 | 539,689 | 566,806 | 566,806 |
| | <u>4,360,602</u> | <u>4,360,602</u> | <u>3,853,220</u> | <u>3,853,220</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

12. Expenditure on charitable activities by activity type

| | Activities undertaken directly | Support costs | Total funds 2022 | Total fund 2021 |
|--------------------|--------------------------------------|----------------|---------------------|--------------------|
| | £ | £ | £ | £ |
| Health and fitness | 3,820,913 | 35,537 | 3,856,450 | 3,318,666 |
| Governance costs | – | 504,152 | 504,152 | 534,554 |
| | <u>3,820,913</u> | <u>539,689</u> | <u>4,360,602</u> | <u>3,853,220</u> |

Analysis of activities undertaken directly

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| External instructors | 83,059 | 34,528 |
| Staff costs | 799,071 | 639,642 |
| Operating leases | 682,662 | 773,847 |
| Rates and water | 95,955 | 51,626 |
| Light and heat | 223,228 | 82,778 |
| Other establishment costs | 197,335 | 214,915 |
| Insurance | 46,543 | 46,161 |
| General consumables | 39,414 | 21,380 |
| Advertising | 216,149 | 65,174 |
| Other office costs | 15,988 | 8,505 |
| Amortisation of intangible assets | 97,084 | 48,546 |
| Depreciation of equipment | 633,415 | 655,546 |
| Interest on bank loans and overdrafts | 8,744 | – |
| Interest on finance leases and hire purchase contracts | 142,850 | 219,678 |
| Licences | 53,966 | 94,866 |
| IT costs | 52,164 | 28,762 |
| Irrecoverable VAT | 312,342 | 242,236 |
| Retention costs | 75,944 | 58,224 |
| Provision for onerous lease | 45,000 | – |
| | <u>3,820,913</u> | <u>3,286,414</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

13. Analysis of support costs

| | Health and fitness £ | Governance £ | Total 2022 £ | Total 2021 £ |
|------------------------------|----------------------------|-----------------|-----------------|-----------------|
| Staff costs | — | 419,114 | 419,114 | 463,807 |
| Premises | — | 9,824 | 9,824 | 426 |
| Communications and IT | — | 10,976 | 10,976 | 8,255 |
| Telephone | 22,921 | 1,241 | 24,162 | 22,419 |
| Operating leases | — | 15,101 | 15,101 | 12,137 |
| Licences | — | 160 | 160 | 7,318 |
| Other office costs | — | 1,880 | 1,880 | 5,584 |
| Irrecoverable VAT | — | 6,570 | 6,570 | 4,608 |
| Depreciation | — | 2,976 | 2,976 | 2,976 |
| Legal and professional fees | — | 24,310 | 24,310 | 17,719 |
| Audit fees | — | 12,000 | 12,000 | 10,400 |
| Travel and subsistence | 11,004 | — | 11,004 | 8,989 |
| Interest and similar charges | 1,612 | — | 1,612 | 2,168 |
| | <u>35,537</u> | <u>504,152</u> | <u>539,689</u> | <u>566,806</u> |

14. Taxation

Major components of tax expense/(income)

| | 2022 £ | 2021 <i>(restated)</i> £ |
|--|---------------|--------------------------------|
| Current tax: | | |
| Adjustments in respect of prior periods | 31,802 | (287,000) |
| Deferred tax: | | |
| Origination and reversal of timing differences | 12,843 | (138,302) |
| Taxation | <u>44,645</u> | <u>(425,302)</u> |

Reconciliation of tax expense/(income)

The tax assessed on the expenditure for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

| | 2022 £ | 2021 <i>(restated)</i> £ |
|--|---------------|--------------------------------|
| Expenditure before taxation | (277,771) | (198,253) |
| Expenditure by rate of tax | (35,004) | 557 |
| Adjustment to tax charge in respect of prior periods | 31,802 | (287,000) |
| Deferred tax: origination and reversal of timing differences | 12,843 | (138,302) |
| Effect of income/expenses exempt from tax | 35,004 | (557) |
| Tax on expenditure | <u>44,645</u> | <u>(425,302)</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

15. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

| | 2022 | 2021 <i>(restated)</i> |
|--|----------------|---------------------------|
| | £ | £ |
| Amortisation of intangible assets | 97,084 | 48,547 |
| Depreciation of tangible fixed assets | 636,392 | 658,522 |
| Gains on disposal of tangible fixed assets | (7,858) | – |
| Operating lease rentals | <u>697,763</u> | <u>785,984</u> |

16. Auditors remuneration

| | 2022 | 2021 <i>(restated)</i> |
|---|---------------|---------------------------|
| | £ | £ |
| Fees payable for the audit of the annual report and consolidated financial statements | <u>12,000</u> | <u>10,400</u> |
| Fees payable to the charity's auditor and its associates for other services: | | |
| Taxation compliance services | <u>1,650</u> | <u>1,550</u> |

17. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2022 | 2021 <i>(restated)</i> |
|---|------------------|---------------------------|
| | £ | £ |
| Wages and salaries | 1,012,934 | 935,467 |
| Social security costs | 81,670 | 78,651 |
| Employer contributions to pension plans | 123,581 | 89,331 |
| | <u>1,218,185</u> | <u>1,103,449</u> |

The average head count of employees during the year was 60 (2021: 55). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2022 No. | 2021 No. |
|----------------|-------------|-------------|
| Management | 3 | 3 |
| Administrative | 2 | 2 |
| Operational | <u>55</u> | <u>50</u> |
| | <u>60</u> | <u>55</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

17. Staff costs *(continued)*

The number of employees whose remuneration for the year fell within the following bands, were:

| | 2022 No. | 2021 No. |
|----------------------|-------------|-------------|
| £130,000 to £139,999 | – | 1 |
| £150,000 to £199,999 | 2 | 1 |
| | <u>2</u> | <u>2</u> |

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £330,728 (2021: £294,936).

18. Trustee remuneration and expenses

No trustees received any remuneration during the year (2021: £nil).

No trustees had travel expenses reimbursed during the year (2021: £nil).

19. Intangible assets (group)

| | Goodwill £ |
|---|----------------|
| Cost | |
| At 1 April 2021 (as restated) and 31 March 2022 | <u>970,929</u> |
| Amortisation | |
| At 1 April 2021 | 307,522 |
| Charge for the year | <u>97,084</u> |
| At 31 March 2022 | <u>404,606</u> |
| Carrying amount | |
| At 31 March 2022 | <u>566,323</u> |
| At 31 March 2021 | <u>663,407</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

19. Intangible assets (group) *(continued)*

Charity

| | Goodwill £ |
|---|------------------|
| Cost | |
| At 1 April 2021 (as restated) and 31 March 2022 | <u>1,075,000</u> |
| Amortisation | |
| Charge for the year | <u>138,243</u> |
| Carry amount | |
| At 31 March 2022 | <u>936,757</u> |
| At 31 March 2021 | <u>1,075,000</u> |

20. Tangible fixed assets (group)

| | Motor vehicles £ | Equipment £ | Total £ |
|-------------------------------|---------------------|------------------|------------------|
| Cost | | | |
| At 1 April 2021 (as restated) | 14,858 | 6,957,214 | 6,972,072 |
| Additions | – | 26,049 | 26,049 |
| Disposals | – | (476) | (476) |
| At 31 March 2022 | <u>14,858</u> | <u>6,982,787</u> | <u>6,997,645</u> |
| Depreciation | | | |
| At 1 April 2021 | 7,150 | 3,292,664 | 3,299,814 |
| Charge for the year | 2,976 | 633,416 | 636,392 |
| At 31 March 2022 | <u>10,126</u> | <u>3,926,080</u> | <u>3,936,206</u> |
| Carrying amount | | | |
| At 31 March 2022 | <u>4,732</u> | <u>3,056,707</u> | <u>3,061,439</u> |
| At 31 March 2021 | <u>7,708</u> | <u>3,664,550</u> | <u>3,672,258</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

20. Tangible fixed assets (group) *(continued)*

Charity

| | Motor vehicles | Equipment | Total |
|-------------------------------|-------------------|------------------|------------------|
| Cost | £ | £ | £ |
| At 1 April 2021 (as restated) | 14,858 | 6,957,214 | 6,972,072 |
| Additions | – | 26,049 | 26,049 |
| Disposals | – | (476) | (476) |
| At 31 March 2022 | <u>14,858</u> | <u>6,982,787</u> | <u>6,997,645</u> |
| Depreciation | | | |
| At 1 April 2021 | 7,150 | 3,292,664 | 3,299,814 |
| Charge for the year | 2,976 | 633,416 | 636,392 |
| At 31 March 2022 | <u>10,126</u> | <u>3,926,080</u> | <u>3,936,206</u> |
| Carrying amount | | | |
| At 31 March 2022 | <u>4,732</u> | <u>3,056,707</u> | <u>3,061,439</u> |
| At 31 March 2021 | <u>7,708</u> | <u>3,664,550</u> | <u>3,672,258</u> |

Finance leases and hire purchase contracts (group)

Included within the carrying value of tangible fixed assets (group) are the following amounts relating to assets held under finance leases or hire purchase agreements:

| | Equipment |
|-------------------------|------------------|
| | £ |
| At 31 March 2022 | <u>1,727,669</u> |
| At 31 March 2021 | <u>1,983,901</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

21. Investments

Group

The group has no investments.

Charity

| | Shares in group undertakings £ |
|---|---|
| Cost and net book value at 1 April 2021 (as restated) and 31 March 2022 | <u>100</u> |

Details of the investments in which the charity has an interest of 20% or more are as follows:

| | |
|--------------------|------------------------|
| SUBSIDIARY COMPANY | Simply Leisure Ltd |
| HOLDING | 100 Ordinary £1 shares |
| % HELD | 100 |

22. Debtors (group)

| | 2022 | 2021 (restated) |
|--------------------------------|------------------|--------------------|
| | £ | £ |
| Trade debtors | 8,424 | 1,422 |
| Deferred tax asset | 37,212 | – |
| Prepayments and accrued income | 780,927 | 687,770 |
| Corporation tax repayable | 206,295 | 209,235 |
| Other debtors | – | 46,162 |
| | <u>1,032,858</u> | <u>944,589</u> |

Charity

| | 2022 | 2021 (restated) |
|------------------------------------|----------------|--------------------|
| | £ | £ |
| Trade debtors | 4,982 | – |
| Amounts owed by group undertakings | 175,398 | – |
| Prepayments and accrued income | 780,927 | 2,442 |
| Other debtors | – | 15,131 |
| | <u>961,307</u> | <u>17,573</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

23. Creditors: Amounts falling due within one year (group)

| | 2022 | 2021 <i>(restated)</i> |
|--|------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 100,000 | 75,000 |
| Trade creditors | 733,973 | 670,317 |
| Accruals and deferred income | 518,805 | 471,122 |
| Social security and other taxes | 28,425 | 41,222 |
| Obligations under finance leases and hire purchase contracts | 600,433 | 711,128 |
| Other creditors | 7,665 | 56,868 |
| | <u>1,989,301</u> | <u>2,025,657</u> |

Charity

| | 2022 | 2021 <i>(restated)</i> |
|--|------------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 100,000 | 75,000 |
| Trade creditors | 733,973 | 39,456 |
| Amounts owed to group undertakings | – | 148,919 |
| Accruals and deferred income | 518,806 | 44,392 |
| Social security and other taxes | 8,606 | 24,075 |
| Obligations under finance leases and hire purchase contracts | 600,433 | 711,128 |
| Other creditors | 3,523 | 48,438 |
| | <u>1,965,341</u> | <u>1,091,408</u> |

24. Creditors: Amounts falling due after more than one year (group)

| | 2022 | 2021 <i>(restated)</i> |
|--|----------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 225,000 | 325,000 |
| Obligations under finance leases and hire purchase contracts | 442,855 | 951,472 |
| | <u>667,855</u> | <u>1,276,472</u> |

Charity

| | 2022 | 2021 <i>(restated)</i> |
|--|----------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 225,000 | 325,000 |
| Obligations under finance leases and hire purchase contracts | 442,855 | 951,472 |
| | <u>667,855</u> | <u>1,276,472</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

25. Finance leases and hire purchase contracts (group)

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

| | 2022 | 2021 <i>(restated)</i> |
|--|------------------|---------------------------|
| | £ | £ |
| Not later than 1 year | 600,433 | 711,128 |
| Later than 1 year and not later than 5 years | 442,855 | 951,472 |
| | <u>1,043,288</u> | <u>1,662,600</u> |

Charity

| | 2022 | 2021 <i>(restated)</i> |
|--|------------------|---------------------------|
| | £ | £ |
| Not later than 1 year | 600,433 | 711,128 |
| Later than 1 year and not later than 5 years | 442,855 | 951,472 |
| | <u>1,043,288</u> | <u>1,662,600</u> |

26. Deferred tax (group)

The deferred tax included in the statement of financial position is as follows:

| | 2022 | 2021 <i>(restated)</i> |
|-------------------------------|---------------|---------------------------|
| | £ | £ |
| Included in debtors (note 22) | <u>37,212</u> | <u>—</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

| | 2022 | 2021 <i>(restated)</i> |
|-------------------|-----------------|---------------------------|
| | £ | £ |
| Unused tax losses | <u>(37,212)</u> | <u>—</u> |

Charity

There was no deferred tax debtor/creditor at the year end date in respect of Bay Leisure Limited.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

27. Provisions (group)

| | Onerous contracts £ |
|---|------------------------------------|
| At 1 April 2021 (as restated) | – |
| Additions | 45,000 |
| At 31 March 2022 | <u>45,000</u> |
| Charity | |
| | Onerous contracts £ |
| Additions and balance as at 31 March 2022 | <u>45,000</u> |

28. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £123,581 (2021: £89,331).

29. Analysis of charitable funds

Unrestricted funds

| | At 1 April 2021 £ | Income £ | Expenditure £ | Prior year adjustments £ | At 31 March 2022 £ |
|---------------|-------------------------|------------------|--------------------|--------------------------------|-----------------------------------|
| General funds | <u>3,697,925</u> | <u>4,083,335</u> | <u>(4,405,751)</u> | <u>(255,870)</u> | <u>3,119,639</u> |
| | At 1 April 2020 £ | Income £ | Expenditure £ | Prior year adjustments £ | At 31 March 2021 £ |
| General funds | <u>3,215,006</u> | <u>3,656,378</u> | <u>(3,429,329)</u> | <u>–</u> | <u>3,442,055</u> |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

30. Analysis of net assets between funds

| | Unrestricted Funds £ | Total Funds 2022 £ |
|---|----------------------------|--------------------------|
| Intangible assets | 566,323 | 566,323 |
| Tangible fixed assets | 3,061,439 | 3,061,439 |
| Current assets | 2,194,033 | 2,194,033 |
| Creditors: amounts falling due within one year | (1,989,301) | (1,989,301) |
| Creditors: amounts falling due after more than one year | (667,855) | (667,855) |
| Provisions | (45,000) | (45,000) |
| Net assets | 3,119,639 | 3,119,639 |

| | Unrestricted Funds £ | Total Funds 2021 £ |
|---|----------------------------|--------------------------|
| Intangible assets | 663,407 | 663,407 |
| Tangible fixed assets | 3,672,258 | 3,672,258 |
| Current assets | 2,408,519 | 2,408,519 |
| Creditors: amounts falling due within one year | (2,025,657) | (2,025,657) |
| Creditors: amounts falling due after more than one year | (1,276,472) | (1,276,472) |
| Provisions | — | — |
| Net assets | 3,442,055 | 3,442,055 |

31. Prior year adjustments

The comparatives have been restated to reflect a reclassification of leases and their associated assets. A review was undertaken of the lease agreements to identify the substance of the historical transactions, rather than the legal form of the contracts. This resulted in a situation whereby the risks and rewards incidental to ownership had been substantially transferred to the Charity.

Adjustments have been made for the initial recognition of the finance leases and corresponding assets at the commencement of the lease term, followed by adjustments for their subsequent measurement for finance costs and depreciation. The amount of the correction for each financial statement line affected is as follows:

| | Restated £ | As previously reported £ |
|---|---------------|--------------------------------|
| Fixed asset equipment cost | 6,957,214 | 5,154,357 |
| Fixed asset equipment depreciation | 3,292,664 | 2,370,454 |
| Obligations under finance lease and hire purchase contracts | 1,662,600 | 526,082 |
| Unrestricted funds at 31 March 2021 | 3,442,055 | 3,697,925 |

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 March 2022

32. Analysis of changes in net debt

| | At 1 Apr 2021 £ | Cash flows £ | At 31 Mar 2022 £ |
|--------------------------|-----------------------|-----------------|------------------------|
| Cash at bank and in hand | 1,463,930 | (302,755) | 1,161,175 |
| Debt due within one year | (786,128) | 85,695 | (700,433) |
| Debt due after one year | (1,276,472) | 608,617 | (667,855) |
| | <u>(598,670)</u> | <u>391,557</u> | <u>(207,113)</u> |

33. Capital commitments

The Charity had no capital commitments at 31 March 2022 (2021: £nil).

34. Operating lease commitments (group)

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2022 £ | 2021 (restated) £ |
|--|------------------|-------------------------|
| Not later than 1 year | 630,993 | 606,465 |
| Later than 1 year and not later than 5 years | 2,295,773 | 2,276,182 |
| Later than 5 years | 5,465,130 | 5,384,428 |
| | <u>8,391,896</u> | <u>8,267,075</u> |

Charity

| | 2022 £ | 2021 (restated) £ |
|--|------------------|-------------------------|
| Not later than 1 year | 630,393 | 606,465 |
| Later than 1 year and not later than 5 years | 2,295,773 | 2,276,182 |
| Later than 5 years | 5,465,130 | 5,384,428 |
| | <u>8,391,296</u> | <u>8,267,075</u> |

35. Contingent liabilities

There were no contingent liabilities at 31 March 2022 (2021: £nil).

36. Related parties

Simply Leisure Limited is a 100% subsidiary of Bay Leisure Limited and as such, the group has taken advantage of the exemption under FRS 102 from disclosing transactions with other wholly owned group companies.