

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 2023

Bay Leisure Limited and its Subsidiaries
Charitable Company Limited by Guarantee
Annual Report and Consolidated Financial Statements
Year ended 31 March 2023

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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 2023

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 2023.

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
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 2023

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 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

2022/23 has been another challenging year for the Charity, with the continued impact of the cost-of-living crisis adding to the financial pressures of the impact of the war in Ukraine and the gradual recovery from the pandemic. The cost-of-living crisis and increased competition have impacted on membership numbers and the Charity has been faced with increased overhead levels, specifically utility and raw material costs. Despite these headwinds, the Charity has managed to grow membership numbers year on year on a like for like basis.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

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

Year ended 31 March 2023

Financial review

During the 2022/23 financial year, the Charity recorded a net expenditure of £1,196,777. We draw your attention to note 19 which details extraordinary expenses recognised in these financial statements totalling £1,382,727.

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 13 of these financial statements. The Charity has unrestricted funds of £1,922,862 and a cash balance of £862,264 at the reporting date.

Plans for future periods

We draw your attention to Note 3 to the financial statements which explains that the trustees intend to cease trading.

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.

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.

Bay Leisure Limited and its Subsidiaries

Charitable Company Limited by Guarantee

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

Year ended 31 March 2023

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 on^{29.1.24} 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 2023

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 2023 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Emphasis of matter - financial statements prepared on a basis other than a going concern

We draw attention to Note 3 to the financial statements which explains that the trustees intend to cease trading and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 3.

Our opinion is not modified in respect of this matter.

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 2023

Emphasis of matter - extraordinary items

We draw attention to Note 19 to the financial statements which explains the events and transactions falling outside the charity's ordinary activities are by their nature extremely rare and are referred to as extraordinary items.

Extraordinary items are material events or transactions that, fall outside of the charity's ordinary activities, are abnormal in their nature, and are not expected to recur.

Our opinion is not modified in respect of this matter.

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 2023

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 2023

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 2023

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 2023

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

30/1/2024.

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 2023

		2023			2022			
	Note	Unrestricted funds £	Total from continuing operations £	Discontinued operations £	Total funds £	Total from continuing operations £	Discontinued operations £	Total funds £
Income and endowments								
Donations and grants	5	–	–	–	–	108,530	33,666	142,196
Charitable activities	6	4,501,642	4,253,211	248,431	4,501,642	3,322,550	563,076	3,885,626
Other trading activities	7	52,493	52,493	–	52,493	47,006	–	47,006
Investment income	8	886	112	774	886	649	–	649
Other income	9	–	–	–	–	7,858	–	7,858
Total income		<u>4,555,021</u>	<u>4,305,816</u>	<u>249,205</u>	<u>4,555,021</u>	<u>3,486,593</u>	<u>596,742</u>	<u>4,083,335</u>
Expenditure								
Expenditure on raising funds:								
Costs of other trading activities	10	367	367	–	367	(504)	–	(504)
Expenditure on charitable activities	11,12	(4,329,931)	(3,988,498)	(341,433)	(4,329,931)	(3,658,486)	(702,116)	(4,360,602)
Other expenditure	14	(2,295)	(2,295)	–	(2,295)	–	–	–
Taxation		(37,212)	(37,212)	–	(37,212)	(44,645)	–	(44,645)
Total expenditure		<u>(4,369,071)</u>	<u>(4,027,638)</u>	<u>(341,433)</u>	<u>(4,369,071)</u>	<u>(3,703,635)</u>	<u>(702,116)</u>	<u>(4,405,751)</u>
Net income/(expenditure)		<u>185,950</u>	<u>278,178</u>	<u>(92,228)</u>	<u>185,950</u>	<u>(217,042)</u>	<u>(105,374)</u>	<u>(322,416)</u>
Extraordinary items	19	(1,382,727)	(699,244)	(683,483)	(1,382,727)	–	–	–

The consolidated statement of financial activities (including income and expenditure account) continues on the following page.
The notes on pages 16 to 37 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 Activities (Including Income and Expenditure Account) (continued)

Year ended 31 March 2023

		2023			2022			
	Note	Unrestricted funds £	Total from continuing operations £	Discontinued operations £	Total funds £	Total from continuing operations £	Discontinued operations £	Total funds £
Net movement in funds		(1,196,777)	(421,066)	(775,711)	(1,196,777)	(217,042)	(105,374)	(322,416)
Reconciliation of funds								
Total funds brought forward as previously reported		3,119,639	3,119,639	–	3,119,639	3,697,925	–	3,697,925
Prior year adjustment		–	–	–	–	(255,870)	–	(255,870)
Total funds brought forward as restated		3,119,639	3,119,639	–	3,119,639	3,442,055	–	3,442,055
Total funds carried forward		1,922,862	2,698,573	(775,711)	1,922,862	3,225,013	(105,374)	3,119,639

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

The consolidated statement of financial activities (including income and expenditure account) continues on the following page.
The notes on pages 16 to 37 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 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	20	234,620	566,323
Tangible fixed assets	21	1,915,472	3,061,439
		<u>2,150,092</u>	<u>3,627,762</u>
Current assets			
Debtors	23	719,472	1,032,858
Cash at bank and in hand		862,264	1,161,175
		<u>1,581,736</u>	<u>2,194,033</u>
Creditors: Amounts falling due within one year	24	1,589,347	1,989,301
Net current liabilities		<u>(7,611)</u>	<u>204,732</u>
Total assets less current liabilities		2,142,481	3,832,494
Creditors: Amounts falling due after more than one year	25	219,619	667,855
Provisions	28	—	45,000
Net assets		<u>1,922,862</u>	<u>3,119,639</u>
Funds of the charity			
Unrestricted funds		1,922,862	3,119,639
Total charity funds	30	<u>1,922,862</u>	<u>3,119,639</u>

These Annual Report and Consolidated Financial Statements were approved by the board of trustees and authorised for issue on29.1.24....., and are signed on behalf of the board by:



P N Hawkins
Trustee



M K Williams
Trustee

The notes on pages 16 to 37 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 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	20	481,577	936,757
Tangible fixed assets	21	1,915,472	3,061,439
Investments	22	100	100
		<u>2,397,149</u>	<u>3,998,296</u>
Current assets			
Debtors	23	722,767	961,307
Cash at bank and in hand		724,873	960,979
		<u>1,447,640</u>	<u>1,922,286</u>
Creditors: Amounts falling due within one year	24	1,744,788	1,965,341
Net current liabilities		<u>297,148</u>	<u>43,055</u>
Total assets less current liabilities		2,100,001	3,955,241
Creditors: Amounts falling due after more than one year	25	219,619	667,855
Provisions	28	—	45,000
Net assets		<u>1,880,382</u>	<u>3,242,386</u>
Funds of the charity			
Unrestricted funds		1,880,382	3,242,386
Total charity funds	30	<u>1,880,382</u>	<u>3,242,386</u>

These Annual Report and Consolidated Financial Statements were approved by the board of trustees and authorised for issue on19.1.24....., and are signed on behalf of the board by:



P N Hawkins
Trustee



M K Williams
Trustee

The notes on pages 16 to 37 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 2023

	2023 £	2022 £
Cash flows from operating activities		
Net Income/(expenditure)	185,950	(322,416)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	582,811	636,392
Amortisation of intangible assets	68,768	97,084
Other interest receivable and similar income	(1,860)	(649)
Interest payable and similar charges	101,404	153,206
Loss/(gains) on disposal of tangible fixed assets	2,295	(7,858)
Taxation	37,212	44,645
Accrued (income)/expenses	(111,020)	47,683
Extraordinary Items	(326,666)	-
<i>Changes in:</i>		
Trade and other debtors	69,879	(88,269)
Trade and other creditors	(36,778)	113,784
Provisions and employee benefits	(45,000)	45,000
Cash generated from operations	526,995	718,602
Interest received	886	649
Tax received/(paid)	206,295	(77,765)
Net cash from operating activities	<u>734,176</u>	<u>641,486</u>
Cash flows from investing activities		
Purchase of tangible assets	(254,440)	(26,049)
Proceeds from sale of tangible assets	22,175	8,333
Net cash used in investing activities	<u>(232,265)</u>	<u>(17,716)</u>
Cash flows from financing activities		
Repayments of borrowings	(112,226)	(83,744)
Payments of finance lease liabilities	(688,596)	(842,781)
Net cash used in financing activities	<u>(800,822)</u>	<u>(926,525)</u>
Net decrease in cash and cash equivalents	(298,911)	(302,755)
Cash and cash equivalents at beginning of year	<u>1,161,175</u>	<u>1,463,930</u>
Cash and cash equivalents at end of year	<u>862,264</u>	<u>1,161,175</u>

The notes on pages 16 to 37 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 2023

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.

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 2023

3. Accounting policies *(continued)*

Going concern

Charities normally prepare their accounts on the basis of being a going concern. The trustees must make their own assessment of the charity's ability to continue as a going concern to assure themselves of the validity of this assumption when preparing their accounts.

In making this assessment, a charity's trustees should take into account all available information about the future for at least, but not limited to, 12 months from the date the accounts are approved.

All charities must explain if there are material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern. In making their explanation, charities should provide:

- a brief explanation as to those factors that support the conclusion that the charity is a going concern; and
- a balanced, proportionate and clear disclosure of any uncertainties that makes the going concern assumption doubtful; or
- If the accounts are not prepared on a going concern basis, this fact must be disclosed, together with the basis on which the trustees prepared the accounts and the reason why the charity is not regarded as a going concern.

In assessing whether the going concern assumption is appropriate, the trustees have taken in to account all available information about the future.

The Charity intends to sell the trade and assets of certain gym locations and will cease operations at others.

The Charity will no longer operate in its current capacity.

The Charity will continue in existence for the foreseeable future to settle all financial obligations as they fall due, and will donate its surplus cash reserves to other charities.

Discontinued operations

Discontinued operations represent the complete discontinuation of, or disposal of, a separate line of business activity or charitable activity and not simply the spending out of a restricted fund.

An analysis of continuing and discontinued operations has been provided in the SoFA by way of an additional column.

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 2023

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 2023

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 2023

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
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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 2023

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:

Long leasehold property	- 10% - 33% straight line
Motor vehicles	- 20% straight line
Equipment	- 10% - 33% straight line

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 consolidated 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 2023

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 consolidated 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 2023

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 2023 £	Unrestricted Funds £	Total Funds 2022 £
Grants				
Government grants - Coronavirus Job Retention Scheme	—	—	43,090	43,090
Government grants - Local Government Coronavirus Grants	—	—	99,106	99,106
	<u>—</u>	<u>—</u>	<u>142,196</u>	<u>142,196</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Health and fitness	<u>4,501,642</u>	<u>4,501,642</u>	<u>3,885,626</u>	<u>3,885,626</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Vending machine commission	16,313	16,313	12,715	12,715
Retail sales	325	325	86	86
Room hire	35,848	35,848	34,205	34,205
Other income	7	7	—	—
	<u>52,493</u>	<u>52,493</u>	<u>47,006</u>	<u>47,006</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	886	886	25	25
Other interest receivable	—	—	624	624
	<u>886</u>	<u>886</u>	<u>649</u>	<u>649</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 2023

9. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gain on disposal of tangible fixed assets held for charity's own use	<u>–</u>	<u>–</u>	<u>7,858</u>	<u>7,858</u>

10. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Retail purchases	<u>(367)</u>	<u>(367)</u>	<u>504</u>	<u>504</u>

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Health and fitness	3,700,894	3,700,894	3,820,913	3,820,913
Support costs	<u>629,037</u>	<u>629,037</u>	<u>539,689</u>	<u>539,689</u>
	<u>4,329,931</u>	<u>4,329,931</u>	<u>4,360,602</u>	<u>4,360,602</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 2023

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Health and fitness	3,700,894	36,604	3,737,498	3,856,450
Governance costs	—	592,433	592,433	504,152
	<u>3,700,894</u>	<u>629,037</u>	<u>4,329,931</u>	<u>4,360,602</u>

Analysis of activities undertaken directly

	2023 £	2022 £
External instructors	93,262	83,059
Staff costs	836,786	799,071
Operating leases	667,027	682,662
Rates and water	117,869	95,955
Light and heat	261,857	223,228
Other establishment costs	194,972	197,335
Insurance	44,200	46,543
General consumables	48,127	39,414
Advertising	185,947	216,149
Other office costs	12,390	15,988
Amortisation of intangible assets	68,768	97,084
Depreciation of equipment	579,836	633,415
	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Interest on bank loans and overdrafts	11,392	8,744
Interest on finance leases and hire purchase contracts	89,038	142,850
Licences	64,323	53,966
IT costs	39,621	52,164
Irrecoverable VAT	317,112	312,342
Retention costs	68,367	75,944
Provision for onerous lease	—	45,000
	<u>3,700,894</u>	<u>3,820,913</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 2023

13. Analysis of support costs

	Health and fitness £	Governance £	Total 2023 £	Total 2022 £
Staff costs	–	484,449	484,449	419,114
Premises	–	9,645	9,645	9,824
Communications and IT	–	8,720	8,720	10,976
Telephone	20,995	1,270	22,265	24,162
Operating leases	–	20,941	20,941	15,101
Licences	–	12,673	12,673	160
Other office costs	–	2,085	2,085	1,880
Irrecoverable VAT	–	10,817	10,817	6,570
Depreciation	–	2,976	2,976	2,976
Legal and professional fees	–	24,857	24,857	24,310
Audit fees	–	14,000	14,000	12,000
Travel and subsistence	14,635	–	14,635	11,004
Interest and similar charges	974	–	974	1,612
	<u>36,604</u>	<u>592,433</u>	<u>629,037</u>	<u>539,689</u>

14. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>2,295</u>	<u>2,295</u>	<u>–</u>	<u>–</u>

15. Net income/(expenditure)

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

	2023 £	2022 £
Amortisation of intangible assets	68,768	97,084
Depreciation of tangible fixed assets	582,811	636,392
Loss/(gains) on disposal of tangible fixed assets	2,295	(7,858)
Operating lease rentals	<u>687,968</u>	<u>697,763</u>

16. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the annual report and consolidated financial statements	<u>14,000</u>	<u>12,000</u>
Fees payable to the charity's auditor and its associates for other services: Taxation compliance services	<u>1,550</u>	<u>1,650</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 2023

17. Staff costs

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

	2023	2022
	£	£
Wages and salaries	1,119,379	1,012,934
Social security costs	91,556	81,670
Employer contributions to pension plans	110,300	123,581
	<u>1,321,235</u>	<u>1,218,185</u>

The average head count of employees during the year was 61 (2022: 60). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Management	3	3
Administrative	2	2
Operational	56	55
	<u>61</u>	<u>60</u>

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

	2023	2022
	No.	No.
£150,000 to £199,999	<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 £348,416 (2022: £330,728).

18. Trustee remuneration and expenses

No trustees received any remuneration during the year (2022: £nil).

No trustees had travel expenses reimbursed during the year (2022: £nil).

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 2023

19. Extraordinary items

Events and transactions falling outside a charity's ordinary activities are by their nature extremely rare and are referred to as extraordinary items. Extraordinary items are material events or transactions that, fall outside of the charity's ordinary activities, are abnormal in their nature, and are not expected to recur.

Extraordinary items - impairment of assets

At each reporting date, a Charity must assess whether there is any indication that an asset may be impaired. If there is an indication that an asset is impaired, then its recoverable amount must be estimated. An impairment loss must be recognised if, and only if, the recoverable amount of an asset is less than its carrying amount.

The indicators of impairment at the Cardiff Bay gym were as follows:

- recurring losses at the Cardiff Bay gym;
- the cessation of the property lease agreement term which is now on a rolling basis;
- plans for the Cardiff Bay building to be demolished by the local authority; and
- plans to cease trading.

As a result of the above, the management undertook an impairment review which resulted in a full impairment of leasehold improvements, and gym equipment being written down to an estimated recoverable amount of £25,000.

Total extraordinary costs for impairment losses at the Cardiff Bay site were as follows:

	2023 £
Impairment of leasehold improvements	463,168
Impairment of equipment	236,076
Total	<u>699,244</u>

Extraordinary items - discontinued operations

The Charity closed the Southend Gym, resulting in a combination of restructuring provisions and losses reported on disposals of fixed assets.

The total extraordinary costs for the restructuring provisions and losses on disposals of fixed assets were as follows:

	2023 £
Restructuring provisions	326,666
Loss on disposal of goodwill	262,936
Loss on disposal of fixed assets	93,881
Total	<u>683,483</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 2023

20. Intangible assets

	Goodwill £
Cost	
At 1 April 2022	970,929
Additions	—
Disposals of previously acquired businesses	(485,464)
At 31 March 2023	<u>485,465</u>
Amortisation	
At 1 April 2022	404,606
Charge for the year	68,768
Disposals of previously acquired businesses	(222,529)
At 31 March 2023	<u>250,845</u>
Carrying amount	
At 31 March 2023	<u>234,620</u>
At 31 March 2022	<u>566,323</u>
 Charity	
Cost	
At 1 April 2022	1,075,000
Disposals of previously acquired businesses	(331,703)
At 31 March 2023	<u>743,297</u>
Amortisation	
At 1 April 2022	138,243
Charge for the year	109,927
Disposals of previously acquired businesses	(68,768)
Impairment losses	82,318
At 31 March 2023	<u>261,720</u>
Carrying amount	
At 31 March 2023	<u>481,577</u>
At 31 March 2022	<u>936,757</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 2023

21. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2022	2,880,248	14,858	4,102,539	6,997,645
Additions	202,296	–	52,144	254,440
Disposals	(171,043)	–	(172,322)	(343,365)
At 31 March 2023	2,911,501	14,858	3,982,361	6,908,720
Depreciation				
At 1 April 2022	1,728,064	10,126	2,198,015	3,936,205
Charge for the year	230,635	2,976	349,200	582,811
Disposals	(69,275)	–	(155,738)	(225,013)
Impairment losses	463,169	–	236,076	699,245
At 31 March 2023	2,352,593	13,102	2,627,553	4,993,248
Carrying amount				
At 31 March 2023	558,908	1,756	1,354,808	1,915,472
At 31 March 2022	1,152,184	4,732	1,904,524	3,061,440

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 2023

21. Tangible fixed assets *(continued)*

Charity

	Leasehold improvements £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2022	2,880,248	14,858	4,102,539	6,997,645
Additions	202,296	–	52,144	254,440
Disposals	(171,043)	–	(172,322)	(343,365)
At 31 March 2023	<u>2,911,501</u>	<u>14,858</u>	<u>3,982,361</u>	<u>6,908,720</u>
Depreciation				
At 1 April 2022	1,728,064	10,126	2,198,015	3,936,205
Charge for the year	230,635	2,976	349,200	582,811
Disposals	(69,275)	–	(155,738)	(225,013)
Impairment losses	463,169	–	236,076	699,245
At 31 March 2023	<u>2,352,593</u>	<u>13,102</u>	<u>2,627,553</u>	<u>4,993,248</u>
Carrying amount				
At 31 March 2023	<u>558,908</u>	<u>1,756</u>	<u>1,354,808</u>	<u>1,915,472</u>
At 31 March 2022	<u>1,152,184</u>	<u>4,732</u>	<u>1,904,524</u>	<u>3,061,440</u>

Finance leases and hire purchase contracts

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

	Equipment £
At 31 March 2023	<u>959,603</u>
At 31 March 2022	<u>1,727,669</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 2023

22. Investments

Group

The group has no investments.

Charity

Shares in
group
undertakings
£
100

Cost and net book value at 1 April 2022 and 31 March 2023

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

23. Debtors

	2023 £	2022 £
Trade debtors	15,621	8,424
Deferred tax asset	—	37,212
Prepayments and accrued income	700,684	780,927
Corporation tax repayable	—	206,295
Other debtors	3,167	—
	<u>719,472</u>	<u>1,032,858</u>

Charity

	2023 £	2022 £
Trade debtors	12,288	4,982
Amounts owed by group undertakings	—	175,398
Prepayments and accrued income	700,684	780,927
Other debtors	9,795	—
	<u>722,767</u>	<u>961,307</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 2023

24. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	99,630	100,000
Trade creditors	694,959	733,973
Accruals and deferred income	415,533	518,805
Social security and other taxes	29,200	28,425
Obligations under finance leases and hire purchase contracts	340,899	600,433
Other creditors	9,126	7,665
	<u>1,589,347</u>	<u>1,989,301</u>

Charity

	2023	2022
	£	£
Bank loans and overdrafts	99,630	100,000
Trade creditors	694,614	733,973
Amounts owed to group undertakings	178,852	–
Accruals and deferred income	415,533	518,806
Social security and other taxes	15,260	8,606
Obligations under finance leases and hire purchase contracts	340,899	600,433
Other creditors	–	3,523
	<u>1,744,788</u>	<u>1,965,341</u>

25. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	124,537	225,000
Obligations under finance leases and hire purchase contracts	95,082	442,855
	<u>219,619</u>	<u>667,855</u>

Charity

	2023	2022
	£	£
Bank loans and overdrafts	124,537	225,000
Obligations under finance leases and hire purchase contracts	95,082	442,855
	<u>219,619</u>	<u>667,855</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 2023

26. Finance leases and hire purchase contracts

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

	2023 £	2022 £
Not later than 1 year	340,899	600,433
Later than 1 year and not later than 5 years	95,082	442,855
	<u>435,981</u>	<u>1,043,288</u>

Charity

	2023 £	2022 £
Not later than 1 year	340,899	600,433
Later than 1 year and not later than 5 years	95,082	442,855
	<u>435,981</u>	<u>1,043,288</u>

27. Deferred tax

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

	2023 £	2022 £
Included in debtors (note 23)	<u>—</u>	<u>37,212</u>

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

	2023 £	2022 £
Unused tax losses	<u>—</u>	<u>(37,212)</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 2023

28. Provisions

	Onerous contracts £
At 1 April 2022	45,000
Charge against provision	(45,000)
At 31 March 2023	—

Charity

	Onerous contracts £
At 1 April 2022	45,000
Charge against provision	(45,000)
At 31 March 2023	—

29. 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 £110,300 (2022: £123,581).

30. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	Prior year adjustments £	At 31 March 2023 £
General funds	3,119,639	4,555,021	(5,751,798)	—	1,922,862

	At 1 April 2021 £	Income £	Expenditure £	Prior year adjustments £	At 31 March 2022 £
General funds	3,697,925	4,083,335	(4,405,751)	(255,870)	3,119,639

Bay Leisure Limited and its Subsidiaries

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Year ended 31 March 2023

31. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Intangible assets	234,620	234,620
Tangible fixed assets	1,915,472	1,915,472
Current assets	1,581,736	1,581,736
Creditors: amounts falling due within one year	(1,589,347)	(1,589,347)
Creditors: amounts falling due after more than one year	(219,619)	(219,619)
Provisions	—	—
Net assets	1,922,862	1,922,862

	Unrestricted Funds	Total Funds
	£	£
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

32. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	1,161,175	(298,911)	862,264
Debt due within one year	(700,433)	259,904	(440,529)
Debt due after one year	(667,855)	448,236	(219,619)
	<u>(207,113)</u>	<u>409,229</u>	<u>202,116</u>

33. Capital commitments

The Charity had no capital commitments at 31 March 2023 (2022: £nil).

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Year ended 31 March 2023

34. Operating lease commitments

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

	2023	2022
	£	£
Not later than 1 year	441,629	630,993
Later than 1 year and not later than 5 years	1,656,187	2,295,773
Later than 5 years	4,349,320	5,465,130
	<u>6,447,136</u>	<u>8,391,896</u>

Charity

	2023	2022
	£	£
Not later than 1 year	441,629	630,393
Later than 1 year and not later than 5 years	1,656,187	2,295,773
Later than 5 years	4,349,320	5,465,130
	<u>6,447,136</u>	<u>8,391,296</u>

35. Contingent liabilities

There were no contingent liabilities at 31 March 2023 (2022: £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.

