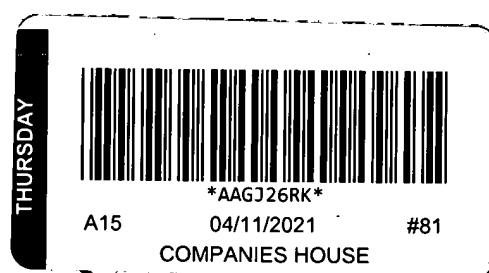


COMPANY REGISTRATION NUMBER: 06337728
CHARITY REGISTRATION NUMBER: 1190403

Bay Leisure Limited and its Subsidiaries
Company Limited by Guarantee
Consolidated Financial Statements
For the year ended
31 March 2021



Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Consolidated Financial Statements

Year ended 31 March 2021

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Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

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

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated Financial Statements of the charity for the year ended 31 March 2021.

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

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

Company Limited by Guarantee

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

Year ended 31 March 2021

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

2020/21 has been a challenging year for the charity, with the significant impact of the Covid-19 pandemic and associated temporary closure of the facilities due to national lockdowns.

The facilities have been closed for over half of the year, which has impacted on both the ability to benefit service users and the financial performance of the Charity. Significant online activity was however created to provide service users with as much support and provision as possible during the lockdown months.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

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

Year ended 31 March 2021

Financial review

During the 2020/21 financial year, the Charity recorded a surplus before tax of £2,932. Total income fell by £1,295,729 compared to the prior year as a result of the closure of the facilities due to the Covid-19 pandemic. Expenditure was however £1,016,474 lower than the prior year as a result of variable cost savings made whilst the facilities were closed. This included savings on wages and salaries with the majority of staff being placed on furlough during the year.

The Charity was also successful in obtaining over £100,000 in grant income and a £400,000 CBILS loan via Barclays.

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 £3,697,925 and a cash balance of £1,463,930 at the period end.

Going concern:

Although 2020/21 has been the most challenging year in the Charity's history, the financial position of the Charity at the end of the reporting period, along with the strong membership growth seen since reopening, give the Trustees confidence that the future for the organisation is a positive one and that the Going Concern assumption remains appropriate.

Plans for future periods

2021/22 is projected to be another challenging year for the Charity, along with the industry as a whole, not least due to the global Covid-19 pandemic and the significant impact this has had and will continue to have on the leisure sector. Membership and usage levels are likely to remain below optimum levels and significant efforts will be needed to continue to rebuild these.

Key areas of focus are:

- Focus and continue to regrow membership and usage levels;
- Review all areas of expenditure to maximise efficiency and economies of scale;
- Ensure operational practices continue to comply with all Covid-19 guidelines; and
- Support the team to maximise staff welfare and retention during this challenging period.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the 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 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

Company Limited by Guarantee

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

Year ended 31 March 2021

In preparing these 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 Consolidated Financial Statements;
- prepare the 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 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 on15.10.21..... and signed on behalf of the board of trustees by:



P N Hawkins
Trustee



M K Williams
Trustee

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

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

Year ended 31 March 2021

Opinion

We have audited the Consolidated Financial Statements of Bay Leisure Limited and its Subsidiaries (the 'charity') for the year ended 31 March 2021 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 Consolidated Financial Statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 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 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 Consolidated Financial Statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the 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 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

Company Limited by Guarantee

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

Year ended 31 March 2021

Other information

The other information comprises the information included in the annual report, other than the Consolidated Financial Statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the 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 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 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 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 Consolidated Financial Statements are prepared is consistent with the Consolidated Financial Statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 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.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

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

Year ended 31 March 2021

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 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 Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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

Company Limited by Guarantee

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

Year ended 31 March 2021

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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

Company Limited by Guarantee

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

Year ended 31 March 2021

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 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 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

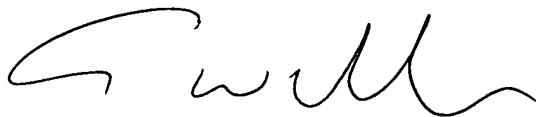
Independent Auditor's Report to the Members of Bay Leisure Limited and its Subsidiaries *(continued)*

Year ended 31 March 2021

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

22/10/2021.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

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

Year ended 31 March 2021

		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and grants	5	593,977	10,341
Charitable activities	6	3,049,414	4,662,684
Other trading activities	7	12,970	209,799
Investment income	8	17	46,249
Other income	9	–	23,034
Total income		<u>3,656,378</u>	<u>4,952,107</u>
Expenditure			
Expenditure on raising funds:			
Costs of other trading activities	10	(1,411)	(58,170)
Expenditure on charitable activities	11,12	(3,652,035)	(4,609,831)
Other expenditure	14	–	(1,919)
Taxation	15	425,302	(80,450)
Total expenditure		<u>(3,228,144)</u>	<u>(4,750,370)</u>
Net income and net movement in funds		<u>428,234</u>	<u>201,737</u>
Reconciliation of funds			
Total funds brought forward		3,269,691	3,067,954
Total funds carried forward		<u>3,697,925</u>	<u>3,269,691</u>

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 14 to 32 form part of these Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Consolidated Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	20	663,407	711,954
Tangible fixed assets	21	2,791,611	3,005,794
		<u>3,455,018</u>	<u>3,717,748</u>
Current assets			
Stocks	23	–	1,772
Debtors	24	766,157	714,557
Cash at bank and in hand		1,463,930	662,849
		<u>2,230,087</u>	<u>1,379,178</u>
Creditors: Amounts falling due within one year	25	1,417,436	1,085,210
Net current assets		<u>812,651</u>	<u>293,968</u>
Total assets less current liabilities		4,267,669	4,011,716
Creditors: Amounts falling due after more than one year	26	569,744	603,723
Provisions	29	–	138,302
Net assets		<u>3,697,925</u>	<u>3,269,691</u>
Funds of the charity			
Unrestricted funds		3,697,925	3,269,691
Total charity funds	31	<u>3,697,925</u>	<u>3,269,691</u>

These Consolidated Financial Statements were approved by the board of trustees and authorised for issue on 15.10.21, and are signed on behalf of the board by:



P N Hawkins
Trustee



M K Williams
Trustee

The notes on pages 14 to 32 form part of these Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Charity Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	1,075,000	–
Tangible assets	11	2,791,611	10,684
Investments	12	100	100
		3,866,711	10,784
Current assets			
Debtors	13	17,573	2,770,873
Cash at bank and in hand		1,237,784	20,045
		1,255,357	2,790,918
Creditors: amounts falling due within one year	14	661,618	97,683
Net current assets		593,739	2,693,235
Total assets less current liabilities		4,460,450	2,704,019
Creditors: amounts falling due after more than one year	15	569,744	–
Provisions			
Taxation including deferred tax	17	–	(3,890)
Net assets		3,890,706	2,707,909
Capital and reserves			
Profit and loss account	20	3,890,706	2,707,909
Members funds		3,890,706	2,707,909

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 15.10.21, and are signed on behalf of the board by:



P N Hawkins
Director



M K Williams
Director

Company registration number: 06337728

The notes on pages 14 to 32 form part of these Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income	428,234	201,737
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets (group)	564,866	689,859
Amortisation of intangible assets	48,547	97,092
Dividends, interest and rents from investments	–	(46,241)
Other interest receivable and similar income	(17)	(8)
Interest payable and similar charges	51,676	62,864
Loss on disposal of tangible fixed assets (group)	–	1,919
Taxation	(425,302)	80,450
Accrued expenses/(income)	14,410	(84,393)
<i>Changes in:</i>		
Stocks	1,772	–
Trade and other debtors	(51,600)	(43,743)
Trade and other creditors	259,261	64,354
Cash generated from operations	891,847	1,023,890
Interest paid	(51,676)	(62,864)
Interest received	17	8
Tax received/(paid)	209,777	(66,191)
Net cash from operating activities	<u>1,049,965</u>	<u>894,843</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	–	46,241
Purchase of tangible assets	(350,683)	(384,134)
Proceeds from sale of tangible assets	–	13,351
Net cash used in investing activities	<u>(350,683)</u>	<u>(324,542)</u>
Cash flows from financing activities		
Proceeds from borrowings	400,000	–
Payments of finance lease liabilities	(298,201)	(507,311)
Net cash from/(used in) financing activities	<u>101,799</u>	<u>(507,311)</u>
Net increase in cash and cash equivalents	801,081	62,990
Cash and cash equivalents at beginning of year	662,849	599,859
Cash and cash equivalents at end of year	<u>1,463,930</u>	<u>662,849</u>

The notes on pages 14 to 32 form part of these Consolidated Financial Statements.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements

Year ended 31 March 2021

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 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 have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared 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, including the impact of the Coronavirus on the business 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

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

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 21 for the carrying amount of the property, plant and equipment and note 3 for the useful economic lives for each class of assets.

Income tax

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.

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.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

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.

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.
- 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.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity'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 five 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

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. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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 - 20% straight line
Equipment - 10% - 33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

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.

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.

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.

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.

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

5. Donations and grants

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Grants				
Government grants - Coronavirus Job Retention Scheme	430,121	430,121	10,341	10,341
Government grants - Local Government Coronavirus Grants	163,856	163,856	—	—
	<u>593,977</u>	<u>593,977</u>	<u>10,341</u>	<u>10,341</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Health and fitness	<u>3,049,414</u>	<u>3,049,414</u>	<u>4,662,684</u>	<u>4,662,684</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Food and beverage sales	2,059	2,059	117,739	117,739
Retail sales	1,094	1,094	1,813	1,813
Room hire	9,569	9,569	27,005	27,005
Soft play	248	248	63,242	63,242
	<u>12,970</u>	<u>12,970</u>	<u>209,799</u>	<u>209,799</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from joint ventures	—	—	46,241	46,241
Bank interest receivable	17	17	8	8
	<u>17</u>	<u>17</u>	<u>46,249</u>	<u>46,249</u>

9. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Other income	—	—	23,034	23,034

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

10. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Food & beverage purchases	826	826	48,373	48,373
Retail purchases	585	585	9,797	9,797
	<u>1,411</u>	<u>1,411</u>	<u>58,170</u>	<u>58,170</u>

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Health and fitness	3,085,228	3,085,228	4,037,330	4,037,330
Support costs	566,807	566,807	572,501	572,501
	<u>3,652,035</u>	<u>3,652,035</u>	<u>4,609,831</u>	<u>4,609,831</u>

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Health and fitness	3,085,228	32,252	3,117,480	4,089,133
Governance costs	–	534,555	534,555	520,698
	<u>3,085,228</u>	<u>566,807</u>	<u>3,652,035</u>	<u>4,609,831</u>

Analysis of activities undertaken directly

	2021 £	2020 £
External instructors	34,528	104,429
Staff costs	639,642	1,012,320
Operating leases	826,047	616,244
Rates and water	51,626	205,171
Light and heat	82,778	241,874
Other establishment costs	214,915	193,437
Insurance	46,161	49,972
General consumables	21,380	47,285
Advertising	65,174	186,065
Other office costs	8,505	36,493
Amortisation of intangible assets	48,546	97,093
Depreciation of equipment	561,890	686,883
Interest on finance leases and hire purchase contracts	49,508	62,864
Licences	94,866	86,456
IT costs	28,762	56,376
Irrecoverable VAT	252,676	275,026
Retention costs	58,224	79,342
	<u>3,085,228</u>	<u>4,037,330</u>

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

13. Analysis of support costs

	Health and fitness £	Governance £	Total 2021 £	Total 2020 £
Staff costs	–	471,445	471,445	436,692
Premises	–	4,926	4,926	9,048
Telephone	21,095	1,323	22,418	22,802
IT costs	–	8,255	8,255	8,739
Licences	–	7,318	7,318	1,824
Other office costs	–	5,582	5,582	6,887
Irrecoverable VAT	–	4,608	4,608	4,855
Depreciation	–	2,976	2,976	2,976
Legal and professional fees	–	17,719	17,719	40,059
Audit fees	–	10,400	10,400	8,350
Travel and subsistence	8,992	–	8,992	22,148
Interest and similar charges	2,168	–	2,168	8,120
	<u>32,255</u>	<u>534,552</u>	<u>566,807</u>	<u>572,500</u>

14. Other expenditure

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Loss on disposal of tangible fixed assets held for charity's own use	–	–	1,919	1,919

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

15. Taxation

Major components of tax (income)/expense

	2021 £	2020 £
Current tax:		
UK current tax expense	–	77,223
Adjustments in respect of prior periods	(287,000)	(623)
Total current tax	<u>(287,000)</u>	<u>76,600</u>
Deferred tax:		
Origination and reversal of timing differences	(138,302)	3,850
Taxation	<u>(425,302)</u>	<u>80,450</u>

Reconciliation of tax (income)/expense

The tax assessed on the income for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Income before taxation	<u>2,932</u>	<u>282,187</u>
Income by rate of tax	557	53,616
Adjustment to tax charge in respect of prior periods	(287,000)	(623)
Effect of expenses not deductible for tax purposes	–	15,600
Effect of income/expenses exempt from corporation tax	(557)	–
Effect of capital allowances and depreciation	–	8,007
Deferred tax: origination and reversal of timing differences	<u>(138,302)</u>	<u>3,850</u>
Tax on income	<u>(425,302)</u>	<u>80,450</u>

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

16. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Amortisation of intangible assets	48,547	97,092
Depreciation of tangible fixed assets	564,866	689,859
Loss on disposal of tangible fixed assets	–	1,919
Operating lease rentals	<u>830,547</u>	<u>624,995</u>

17. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the consolidated financial statements	<u>10,400</u>	<u>8,350</u>
Fees payable to the charity's auditor and its associates for other services:		
Taxation compliance services	<u>1,550</u>	<u>1,550</u>

18. Staff costs

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

	2021	2020
	£	£
Wages and salaries	943,104	1,239,650
Social security costs	78,651	117,418
Employer contributions to pension plans	89,331	91,944
	<u>1,111,086</u>	<u>1,449,012</u>

The average head count of employees during the year was 55 (2020: 65).

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

	2021	2020
	No.	No.
£110,000 to £119,999	–	1
£130,000 to £139,999	1	–
£140,000 to £149,999	–	1
£150,000 to £159,999	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 £294,936 (2020: £264,123).

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

19. Trustee remuneration and expenses

No trustees received any remuneration during the year (2020: Nil).

20. Intangible assets (group)

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	970,929
Amortisation	
At 1 April 2020	258,975
Charge for the year	48,547
At 31 March 2021	307,522
Carrying amount	
At 31 March 2021	663,407
At 31 March 2020	711,954
Charity	
Cost	
Additions and carried forward at 31 March 2021	1,075,000
Amortisation	
At 1 April 2020 and 31 March 2021	-
Carrying amount	
At 31 March 2021	1,075,000
At 31 March 2020	-

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

21. Tangible fixed assets (group)

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 April 2020	14,858	4,829,016	4,843,874
Additions	–	350,683	350,683
Disposals	–	(25,342)	(25,342)
At 31 March 2021	14,858	5,154,357	5,169,215
Depreciation			
At 1 April 2020	4,174	1,833,906	1,838,080
Charge for the year	2,976	561,890	564,866
Disposals	–	(25,342)	(25,342)
At 31 March 2021	7,150	2,370,454	2,377,604
Carrying amount			
At 31 March 2021	7,708	2,783,903	2,791,611
At 31 March 2020	10,684	2,995,110	3,005,794

Charity

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 April 2020	14,858	–	14,858
Additions	–	2,783,903	2,783,903
At 31 March 2021	14,858	2,783,903	2,798,761
Depreciation			
At 1 April 2020	4,174	–	4,174
Charge for the year	2,976	–	2,976
At 31 March 2021	7,150	–	7,150
Carrying amount			
At 31 March 2021	7,708	2,783,903	2,791,611
At 31 March 2020	10,684	–	10,684

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

22. Investments

Group

The group has no investments.

Charity

Shares in
group
undertakings
£
100

Cost and net book value at 1 April 2020 and 31 March 2021

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. Stocks (group)

	2021 £	2020 £
Raw materials and consumables	<u>—</u>	<u>1,772</u>

Charity

The Charity had no stock at the year end (2020: £nil).

24. Debtors (group)

	2021 £	2020 £
Trade debtors	1,422	19,361
Prepayments and accrued income	509,338	680,838
Corporation tax repayable	209,235	—
Other debtors	<u>46,162</u>	<u>14,358</u>
	<u>766,157</u>	<u>714,557</u>

Charity

	2021 £	2021 £
Amounts owed by group undertakings	—	2,766,856
Other debtors	<u>17,573</u>	<u>4,017</u>
	<u>17,573</u>	<u>2,770,873</u>

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

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

	2021	2020
	£	£
Bank loans and overdrafts	75,000	–
Trade creditors	670,318	466,372
Accruals and deferred income	292,690	278,280
Corporation tax	–	77,223
Social security and other taxes	41,222	26,273
Obligations under finance leases and hire purchase contracts	281,338	220,560
Other creditors	56,868	16,502
	<u>1,417,436</u>	<u>1,085,210</u>

Charity

	2021	2021
	£	£
Bank loans and overdrafts	75,000	–
Trade creditors	39,456	13,215
Amounts owed to group undertakings	148,919	–
Accruals and deferred income	44,392	73,886
Social security and other taxes	24,075	10,582
Obligations under finance leases and hire purchase contracts	281,338	–
Other creditors	48,438	–
	<u>661,618</u>	<u>97,683</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	325,000	–
Obligations under finance leases and hire purchase contracts	244,744	603,723
	<u>569,744</u>	<u>603,723</u>

Charity

	2021	2021
	£	£
Bank loans and overdrafts	325,000	–
Obligations under finance leases and hire purchase contracts	244,744	–
	<u>569,744</u>	<u>–</u>

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

27. Finance leases and hire purchase contracts (group)

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

	2021 £	2020 £
Not later than 1 year	281,338	220,560
Later than 1 year and not later than 5 years	244,744	603,723
	<u>526,082</u>	<u>824,283</u>

Charity

	2021 £	2020 £
Not later than 1 year	281,338	–
Later than 1 year and not later than 5 years	244,744	–
	<u>526,082</u>	<u>–</u>

28. Deferred tax (group)

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

	2021 £	2020 £
Included in provisions (group) (note 29)	–	138,302

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

	2021 £	2020 £
Accelerated capital allowances	–	138,302

Charity

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

	2021 £	2020 £
Included in provisions	–	(3,890)

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

	2021 £	2020 £
Accelerated capital allowances	–	(3,890)

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

29. Provisions (group)

	Deferred tax (note 28) £
At 1 April 2020	138,302
Charge against provision	(138,302)
At 31 March 2021	—

Charity

	Deferred tax £
At 1 April 2020	(3,890)
Charge against provision	3,890
At 31 March 2021	—

30. 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 £89,331 (2020: £91,944).

31. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	3,269,691	3,656,378	(3,228,144)	3,697,925

	At 1 April 2019 £	Income £	Expenditure 31 March 2020 £	At 31 March 2020 £
General funds	3,067,954	4,952,107	(4,750,370)	3,269,691

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

32. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Intangible assets	663,407	663,407
Tangible fixed assets (Group)	2,791,611	2,791,611
Current assets	2,230,087	2,230,087
Creditors: amounts falling due within one year (Group)	(1,417,436)	(1,417,436)
Creditors: amounts falling due after more than one year (Group)	(569,744)	(569,744)
Provisions (group)	—	—
Net assets	3,697,925	3,697,925

	Unrestricted Funds	Total Funds
	£	£
Intangible assets	711,954	711,954
Tangible fixed assets (Group)	3,005,794	3,005,794
Current assets	1,379,178	1,379,178
Creditors: amounts falling due within one year (Group)	(1,085,210)	(1,085,210)
Creditors: amounts falling due after more than one year (Group)	(603,723)	(603,723)
Provisions (group)	(138,302)	(138,302)
Net assets	3,269,691	3,269,691

33. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	662,849	801,081	1,463,930
Debt due within one year	(220,560)	(135,778)	(356,338)
Debt due after one year	(603,723)	33,979	(569,744)
	<u>(161,434)</u>	<u>699,282</u>	<u>537,848</u>

34. Capital commitments

The Charity had no capital commitments at 31 March 2021 (2020: £nil).

Bay Leisure Limited and its Subsidiaries

Company Limited by Guarantee

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2021

35. Operating lease commitments (group)

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

	2021	2020
	£	£
Not later than 1 year	1,041,486	1,071,486
Later than 1 year and not later than 5 years	2,792,943	3,303,540
Later than 5 years	5,384,428	5,936,496
	<u>9,218,857</u>	<u>10,311,522</u>

Charity

	2021	2020
	£	£
Not later than 1 year	1,041,486	2,500
Later than 1 year and not later than 5 years	2,792,943	–
Later than 5 years	5,384,428	–
	<u>9,218,857</u>	<u>2,500</u>

36. Contingent liabilities

There were no contingent liabilities at 31 March 2021 (2020: £nil).

37. Related parties

Bay Sports Limited was a former joint venture between Bay Leisure Limited and Swansea University, which ceased trading on 30 September 2018. During the year, the company received £nil (2020: £46,240) representing its half share of the final retained earnings of Bay Sports Limited on cessation.

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.