

THE ACADEMY (HARROGATE) LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 JULY 2017



THE ACADEMY (HARROGATE) LIMITED
REGISTERED NUMBER: 02884684

BALANCE SHEET
AS AT 31 JULY 2017

	Note	31 July 2017 £	31 December 2016 £
Fixed assets			
Tangible assets	5	523,951	624,686
		<u>523,951</u>	<u>624,686</u>
Current assets			
Stocks	6	26,325	28,423
Debtors: amounts falling due within one year	7	140,535	137,996
Cash at bank and in hand	8	174,806	114,347
		<u>341,666</u>	<u>280,766</u>
Creditors: amounts falling due within one year	9	<u>(1,447,104)</u>	<u>(1,122,578)</u>
Net current liabilities		<u>(1,105,438)</u>	<u>(841,812)</u>
Total assets less current liabilities		<u>(581,487)</u>	<u>(217,126)</u>
Creditors: amounts falling due after more than one year	10	-	(250,819)
		<u>(581,487)</u>	<u>(467,945)</u>
Net liabilities		<u><u>(581,487)</u></u>	<u><u>(467,945)</u></u>
Capital and reserves			
Called up share capital		1,654,265	1,654,265
Profit and loss account		<u>(2,235,752)</u>	<u>(2,122,210)</u>
		<u><u>(581,487)</u></u>	<u><u>(467,945)</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

THE ACADEMY (HARROGATE) LIMITED
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BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2017

M Silver
Director

The notes on pages 3 to 9 form part of these financial statements.

THE ACADEMY (HARROGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2017

1. General information

The principal activity of the company during the year is the operation of a health club. The registered offices are located in Beckwith Health Club, Central House, Otley Road, Harrogate, North Yorkshire, HG3 1UF.

The company is a private company limited by shares with a registered number 02884684. The company is incorporated and domiciled in England. The company is a tax resident in the United Kingdom.

The company has changed its year end from 31 December to 31 July for commercial reasons. As a result, the comparative figures shown in these accounts will not be entirely comparable.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

THE ACADEMY (HARROGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5% - 50% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE ACADEMY (HARROGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2017

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no key sources of estimation uncertainty in applying accounting policies in the financial statements.

THE ACADEMY (HARROGATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2017**

4. Employees

The average monthly number of employees, including directors, during the period was 100 (2016 - 100).

5. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2017	2,279,881
Additions	2,576
Disposals	(2,419)
At 31 July 2017	<u>2,280,038</u>
Depreciation	
At 1 January 2017	1,655,195
Charge for the period on owned assets	102,702
Disposals	(1,809)
At 31 July 2017	<u>1,756,088</u>
Net book value	
At 31 July 2017	<u><u>523,950</u></u>
At 31 December 2016	<u><u>624,686</u></u>

6. Stocks

	31 July 2017 £	31 December 2016 £
Raw materials and consumables	<u>26,325</u>	<u>28,423</u>
	<u><u>26,325</u></u>	<u><u>28,423</u></u>

7. Debtors

	31 July 2017 £	31 December 2016 £
Trade debtors	-	3,789

THE ACADEMY (HARROGATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2017**

7. Debtors (continued)

Amounts owed by group undertakings	-	43,404
Prepayments and accrued income	140,535	90,803
	140,535	137,996

8. Cash and cash equivalents

	31 July 2017 £	<i>31 December 2016 £</i>
Cash at bank and in hand	174,806	114,347
	174,806	114,347

9. Creditors: Amounts falling due within one year

	31 July 2017 £	<i>31 December 2016 £</i>
Bank loans	395,951	79,383
Trade creditors	239,271	222,065
Amounts owed to group undertakings	487,792	479,541
Other taxation and social security	112,023	64,560
Obligations under finance lease and hire purchase contracts	-	84,415
Other creditors	-	125
Accruals and deferred income	212,067	192,489
	1,447,104	1,122,578

THE ACADEMY (HARROGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2017

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

	31 July 2017 £	31 December 2016 £
Net obligations under finance leases and hire purchase contracts	-	250,819
	-	250,819

Secured loans

Bank borrowings are secured on a group basis incorporating a debenture, legal charge over land and buildings and an unlimited inter-company guarantee between all companies in the group.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 July 2017 £	31 December 2016 £
Within one year	-	84,415
Between 1-2 years	-	84,415
Between 2-5 years	-	166,404
	-	335,234

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,440 (2016 - £26,539). Contributions totalling £2,084 (2016 - £1,931) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% or more of the voting rights in the company are controlled within the group.

14. Post balance sheet events

The trade and assets of The Academy (Harrogate) Limited was sold on 1 August 2017. From this date, the company will incur no income or expenditure and will remain dormant going forward.

THE ACADEMY (HARROGATE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2017**

15. Controlling party

The directors regard Academy Leisure Limited, a company incorporated in England, as the company's immediate parent undertaking. The ultimate parent undertaking is ACAD Holdings Limited. The registered office for both these companies is Beckwith Health Club, Central House, Otley Road, Harrogate, North Yorkshire, HG3 1UF.