

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

THE REAL LIVE LEISURE
COMPANY LIMITED

MENZIES

THE REAL LIVE LEISURE COMPANY LIMITED

COMPANY INFORMATION

Directors	J J Lopez Taracena (resigned 1 September 2023) H A Pedersen (appointed 10 January 2022, resigned 31 August 2023) J P R Cuadra (appointed 1 September 2023) J T Rcilly (appointed 1 September 2023)
Company secretary	J P R Cuadra
Registered number	03446630
Registered office	Oceanarium Pier Approach Bournemouth BH2 5AA
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

THE REAL LIVE LEISURE COMPANY LIMITED

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THE REAL LIVE LEISURE COMPANY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Introduction

The Directors present their annual report and the audited financial statements for the period ended 31st December 2022.

Business review

The principal business activity of The Real Live Leisure Company Ltd in this period continued to be the operation of Oceanarium Bournemouth, a medium sized aquarium on the South Coast of England and Lakes Aquarium, a small aquarium in the English Lake District. Both have associated retail and catering offers and are in prime locations in key tourist resorts. Oceanarium Bournemouth is the larger of the two attractions in size and performance and provided 70% of the visitors, 72% of the income, 63% of the cost and 91% of the EBITDA in 2022. Oceanarium Bournemouth has always provided the largest portion of the visitors, income and EBITDA but in 2022 its share grew.

Key performance indicators

	January to December 2022	January to December 2021	Movement (%)
Visitor levels	340,916	243,381	40%
Per capita spend	£12.13	£14.63	-17%
Income	£4,134,047	£3,358,320	16%
Cost of sales	£616,486	£476,003	30%
Gross margin	£3,517,561	£2,882,317	22%
Operating costs	£2,958,014	£2,457,748	20%
EBITDA*	£886,184	£976,995	-9%

* Note EBITDA is an internal measure.

Both aquariums increased their visitors vs. 2021 due to a full year open vs open May to December in 21 due to Covid lock down. Lakes Aquarium visitors were in line with pre pandemic historical averages. However, Oceanarium Bournemouth increased its visitors to +6% above historical pre pandemic levels thanks in part to the two heatwaves in July and August that brought critical mass to Bournemouth and gave confidence to continuing the staycation trend and for some tourists too hot to be outside on the beach!

Per capita spend (revenue divided by visitor numbers) decreased -17% vs. the equivalent prior year 12-month period due to the following factors:

- Return in VAT to 20% in April 2022 for remainder of year vs. 2021 level of 5% January to September and 12.5% October to December. Decreasing ticketing and catering.
- However, ticket prices increased by circa +7% in both aquariums which offset some of the impact of VAT loss.
- Significant government grants received in 21 (£203k) vs. none received in 22 (£0k).
- Decrease in Retail after seeing a very high unique level in 21 during Covid reopening perhaps due to staycation. It's a trend we experienced in all our parks but there is no one conclusive reason why it uniquely increased but the cost-of-living crisis in 22 was likely to have been the factor of decreasing it back to nearer pre pandemic levels in 22.

Income was +16% above 21 due to the full year opening and increase in visitors offsetting the decrease in per capita spend.

Cost of Sales percentage increased vs 21 from 13% to 14.4%. This was due to the lower VAT in catering in 21 whereby the additional income generated was free of cost and due to the very high inflation in food costs that were not all able to be passed onto the consumer. Oceanarium Bournemouth suffered greater than Lakes Aquarium in food price inflation not being able to all be passed onto consumers due to the high level of competition in F&B in the vicinity of the site versus only one competitor in Lakes.

THE REAL LIVE LEISURE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Operating expenses increased +20% vs. 2021 due to:

- Increase in personnel +21% due to being open for a full 12 months in 22 vs. 7.5 months in 21 with some salaries and wages paid by furlough scheme in 2021. Plus increases in minimum and living wage in April 2022 and related increases in the rest of the salary structure to remain competitive.
- Increase of +11% in rent due to both aquariums having rent reviews in this period linked to RPIX so greater than historical due to the high inflation level.
- Increase of +233% in business rates due to cancellation of rates for some of 21 and lower level thereafter in 21 than most of 22.
- Increase of +63% in energy costs due to the well-publicised large increase in electricity and gas costs particularly affecting the Lakes Aquarium who also have landlord recharges in this respect.

Most other cost lines were affected by high inflation but most did not experience the impact to the later part of the year and were mainly in areas with relatively low cost so the overall impact on OPEX was not material. Most cost lines were also higher due to a full year of operations vs. part year in 2022.

Period end position and subsequent trade

The total result for 2022 was down on 2021 with EBITDA down by -9% and pre-tax profit down by -12% due to a loss in Lakes Aquarium. This was mostly due to inflation and market pressures increasing cost of goods and operating costs particularly in personnel, food costs and utilities. It is also reflective of a full year of operating and returning to almost full offer of products, services and experiences offered vs. shorter opening period in 21 along with the unique government support received in 2021 (lower VAT and rates and receipt of grants) not replicated in 22. It is therefore difficult to make significant conclusions regarding the performance of the business when comparing to such a unique year. However Oceanarium Bournemouth grew its EBITDA by +15% due to its growth in visitors but Lakes Aquarium reduced its EBITDA by -64% due to its visitors and income not growing enough to offset rises in operating costs. But given that the overwhelming majority of visitors income and EBITDA derives from Oceanarium Bournemouth, the Lakes Aquarium downturn was not particularly damaging in real terms.

Since the period reported in these statements ended, 2023 has not been affected by Covid and has been a positive year so far for both aquariums. As of end of August 23 YTD visitors were +7% in Oceanarium Bournemouth partly due to higher-than-average rainfall in July (despite some peaks and troughs the rest of the year in the resort has been broadly average weather overall) and +14% in Lakes Aquarium due to predominately wet weather in the North of England throughout the school summer holidays and prior, that drove tourists to the Lake District to seek indoor activities.

We have also experienced an increase in per capita spend vs. 22 in both aquariums thus far with per caps up +3% in Oceanarium Bournemouth and +2% in Lakes Aquarium YTD at the end of August vs. 22 YTD position at the same stage therefore producing income growth of +10% and +15% respectively so far. Increases in per caps have been achieved in ticketing in Oceanarium Bournemouth due to higher prices and catering in Lakes Aquarium due to one additional outlet being open all main season this year so far but not in 22.

Operating costs have increased in 23 by +18% in Oceanarium Bournemouth and +16% in Lakes Aquarium vs. 22 YTD mainly due to high inflation in general terms. The greatest increases have once again been seen in personnel (due to minimum wage increases and wage inflation and the competition in the labour market), animal feed (due to high food inflation), repairs as both aquariums have had many essential repairs needed thus far and energy costs (albeit they have stabilised of late).

EBITDA is forecast to be at a similar level to 2022 in Lakes Aquarium as increases in operating costs are offset by increase in incomes and approx. +3% higher vs. 22 in Oceanarium Bournemouth as visitors and income have grown greater than the rise in operating costs.

Whilst challenges remain regarding inflation and the squeeze on household incomes the return to growth in visitors and per caps at Lakes Aquarium along with the Oceanarium Bournemouth achieving further growth gives rise to cautious optimism as both resorts remain very popular despite some drop in staycation trend this year.

THE REAL LIVE LEISURE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Future developments

Maintenance CAPEX projects will continue throughout 23 to improve operational efficiency, reliability and safety and welfare requirements. No significant new exhibits are currently commenced but the both aquariums have new exhibits planned for the long term.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk and liquidity risk. The company is also exposed to the financial risks of changes in foreign currency exchange rates. The company does not have any derivative financial instruments as at 31st December 2022 (Dec 2021: none).

Credit risk:

The company's principal financial assets are cash, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by

international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk:

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses overdraft facilities with banks. The bank overdraft has been used by its sister company that Grant Leisure is in a CAS agreement with. However currently only the gross overdraft CAS agreement exists and the net overdraft limit has been removed as the net bank balance of the company is positive.

This report was approved by the board and signed on its behalf.

J P R Cuadra
Director

Date: 28 September 2023

THE REAL LIVE LEISURE COMPANY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the period ended 31 December 2022.

Results and dividends

The profit for the period, after taxation, amounted to £437,088 (2021 - £446,999).

The directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021 -

No dividend declared and paid).

Directors

The directors who served during the period were:

J J Lopez Taracena (resigned 1 September 2023)

H A Pedersen (appointed 10 January 2022, resigned 31 August 2023)

Political contributions

There have been no political donations during the period (2021: £nil).

Financial instruments

The company does not hold any complex financial instruments that are material for the assessment of the financial statements.

Matters covered in the Strategic report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The directors are aware of the matters set out in section 172(1)(a) to (f) (duty to promote the success of the company) when performing their duties and do so appropriately.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

THE REAL LIVE LEISURE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

J P R Cuadra
Director

Date: 28 September 2023

THE REAL LIVE LEISURE COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE REAL LIVE LEISURE COMPANY LIMITED

Opinion

We have audited the financial statements of The Real Live Leisure Company Limited (the 'Company') for the period ended 31 December 2022, which comprise the Statement of income and retained earnings, the Statement of financial position 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon.

The directors are responsible for the other information contained within the Annual Report. Our opinion on the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE REAL LIVE LEISURE COMPANY LIMITED (CONTINUED)

Opinion 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 Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE REAL LIVE LEISURE COMPANY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. The industry specific laws and regulations which would be deemed to have a significant impact on the financial statements are the compliance with the 'supply aquariums and zoo with marine species' regulations and food safety standards. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company 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 governance 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
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of unusual journals and complex transactions.
- Misappropriation of funds through fraudulent purchase ledger and payroll activity
- Manipulation of amounts subject to significant judgment or estimate.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE REAL LIVE LEISURE
COMPANY LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company'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 Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Galliers FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

3000a Parkway

Whiteley

Hampshire

PO15 7FX

29 September 2023

THE REAL LIVE LEISURE COMPANY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	4,134,047	3,358,320
Cost of sales		(616,486)	(476,003)
Gross profit		3,517,561	2,882,317
Administrative expenses		(2,958,014)	(2,457,748)
Other operating income	5	-	202,982
Operating profit	6	559,547	627,551
Interest receivable and similar income		-	744
Interest payable and similar expenses	10	(2)	(84)
Profit before tax		559,545	628,211
Tax on profit	11	(122,457)	(181,212)
Profit after tax		437,088	446,999
Retained earnings at the beginning of the period		4,562,933	4,115,934
		4,562,933	4,115,934
Profit for the period		437,088	446,999
Retained earnings at the end of the period		5,000,021	4,562,933

The notes on pages 13 to 25 form part of these financial statements.

THE REAL LIVE LEISURE COMPANY LIMITED

REGISTERED NUMBER:03446630

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,133,938	3,266,718
		<u>3,133,938</u>	<u>3,266,718</u>
Current assets			
Stocks	13	64,085	55,970
Debtors: amounts falling due within one year	14	1,053,037	406,590
Cash at bank and in hand	15	1,717,874	1,601,082
		<u>2,834,996</u>	<u>2,063,642</u>
Creditors: amounts falling due within one year	16	(783,269)	(583,045)
Net current assets		<u>2,051,727</u>	<u>1,480,597</u>
Total assets less current liabilities		<u>5,185,665</u>	<u>4,747,315</u>
Provisions for liabilities			
Deferred tax	17	(185,643)	(184,381)
		<u>(185,643)</u>	<u>(184,381)</u>
Net assets		<u><u>5,000,022</u></u>	<u><u>4,562,934</u></u>
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	19	5,000,021	4,562,933
		<u><u>5,000,022</u></u>	<u><u>4,562,934</u></u>

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

J P R Cuadra
Director

Date: 28 September 2023

The notes on pages 13 to 25 form part of these financial statements.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. General information

The Real Live Leisure Company Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is disclosed on the company information page. The registered address is also the principal place of business.

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 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 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Parques Reunidos Servicios Centrales, S.A. as at 31 December 2022 and these financial statements may be obtained from Piolin Bidco S.A.U. C/Federico Mompou 5, Parque Empresarial Las Tablas, Edificio 1, 3th Floor, 28050 Madrid, Spain .

2.3 Going concern

The company has given an unlimited guarantee in respect of the overdraft of subsidiary undertakings within the Group's banking offset agreement (as detailed in note 20).

The Directors continually review government announcements and guidelines, along with the current management accounts to assess the company's ability to continue as a going concern. Finances remain strong and the company has the support of its parent company.

Having taken that into consideration along with the expected performance over the foreseeable future, the Directors consider that the company has sufficient resources to continue to operational existence for that time.

For this reason, the Directors continue to adopt the going concern basis of accounting in preparing these annual financial statements.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 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:

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 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:

Long-term leasehold property	- 40 years
Plant and machinery	- 4 - 10 years
Motor vehicles	- 4 years

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 profit or loss.

Assets under construction are recorded at cost and are not depreciated until they are brought into use.

2.13 Fish

Fish stock is held as a fixed asset in the accounts at the cost on acquisition.

Fish stock is not depreciated because they are considered to have an unlimited useful life, since the fish stocks reproduce.

2.14 Stocks

Stocks are stated at the lower of cost, being purchase price after many adjustments for obsolete and slow moving items and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting 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 the statement of income and retained earnings.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 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 ordinary shares.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition - deferred income:

Revenue for seasonal passes are required to be recognised over the time the customer enters the aquarium validity period. As actual numbers of season pass visitors and revenues are not definitive until the end of the year the estimate for the current year is based on the 'annual pass per capita per visit' of the previous year. This is used to match the revenue across the period in a reasonable pattern.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Park Income	2,614,085	2,017,862
Shop & Restaurant Income	1,519,962	1,340,458
	<u>4,134,047</u>	<u>3,358,320</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	202,982
	<u>-</u>	<u>202,982</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	390	(6,524)
Other operating lease rentals	<u>242,662</u>	<u>219,167</u>

7. Auditors' remuneration

During the period, the Company obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	12,375	12,775

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

8. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	1,130,443	931,230
Social security costs	86,442	62,165
Cost of defined contribution scheme	34,299	30,137
	<u>1,251,184</u>	<u>1,023,532</u>

Directors' remuneration

The directors were remunerated by other group companies in respect of their services to various group companies in both the current and preceding financial periods. The amount of remuneration allocated for their services as directors was £227,932 (2021 - £245,098).

The average monthly number of employees, including the directors, during the period was as follows:

	2022 No.	2021 No.
Office and management	12	10
Retail and display	57	54
	<u>69</u>	<u>64</u>

Key management personnel remuneration totalled £79,591 for the year (2021 - £63,821).

9. Interest receivable

	2022 £	2021 £
Other interest receivable	-	744
	<u>-</u>	<u>744</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	2	84
	<u>2</u>	<u>84</u>

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	121,461	152,362
Adjustments in respect of previous periods	(266)	-
	<u>121,195</u>	<u>152,362</u>
Total current tax	<u>121,195</u>	<u>152,362</u>
Deferred tax		
Origination and reversal of timing differences	1,262	28,850
Total deferred tax	<u>1,262</u>	<u>28,850</u>
Taxation on profit on ordinary activities	<u>122,457</u>	<u>181,212</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>559,545</u>	<u>628,211</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	106,314	119,360
Effects of:		
Permanent differences	16,106	17,600
Adjustments to tax charge in respect of prior periods	(266)	-
Changes in tax rates	303	44,252
Total tax charge for the period/year	<u>122,457</u>	<u>181,212</u>

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

12. Tangible fixed assets

	Long leasehold land and buildings £	Plant, fittings and equipment £	Motor vehicles £	Fish £	Total £
Cost or valuation					
At 1 January 2022	4,344,566	5,181,310	24,355	154,173	9,704,404
Additions	1,419	189,312	-	3,124	193,855
At 31 December 2022	4,345,985	5,370,622	24,355	157,297	9,898,259
Depreciation					
At 1 January 2022	1,917,283	4,496,047	24,355	-	6,437,685
Charge for the period on owned assets	108,633	218,003	-	-	326,636
At 31 December 2022	2,025,916	4,714,050	24,355	-	6,764,321
Net book value					
At 31 December 2022	2,320,069	656,572	-	157,297	3,133,938
At 31 December 2021	2,427,283	685,262	-	154,173	3,266,718

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

13. Stocks

	2022 £	2021 £
Raw materials and consumables	64,085	55,970
	<u>64,085</u>	<u>55,970</u>

14. Debtors

	2022 £	2021 £
Trade debtors	5,808	34,793
Amounts owed by group undertakings	571,605	197,011
Other debtors	130,526	94,254
Prepayments and accrued income	345,098	80,532
	<u>1,053,037</u>	<u>406,590</u>

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,717,874	1,601,082
	<u>1,717,874</u>	<u>1,601,082</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	155,320	114,869
Amounts owed to group undertakings	304,076	238,638
Other taxation and social security	89,816	51,902
Other creditors	3,255	12,590
Accruals and deferred income	230,802	165,046
	<u>783,269</u>	<u>583,045</u>

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

17. Deferred taxation

	2022 £	2021 £
At beginning of year	(184,381)	(155,531)
Charged to profit or loss	(1,262)	(28,850)
At end of year	(185,643)	(184,381)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	185,759	184,491
Short term timing differences	(116)	(110)
	185,643	184,381

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 (2021 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

19. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

20. Guarantees and contingent liabilities

The company, as well as fellow subsidiary company Lakeside Mall Entertainment Centre Limited and immediate parent company Grant Leisure Group Limited, have given an unlimited cross-guarantee in respect of the pooled overdraft facility within the Group's banking offset agreement. The pooled overdraft position at 31 December 2022 was £3,950,240 (2021: £3,794,897). Where the company enters into financial contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance agreements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions paid by the company amounted to £34,299 (2021: £30,137). Contribution payable outstanding at the period end amounted to £830 (2021: £999).

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	172,250	172,250
Later than 1 year and not later than 5 years	566,562	664,294
Later than 5 years	3,215,900	3,290,418
	<u>3,954,712</u>	<u>4,126,962</u>

The above relates to rent commitments at Bournemouth Oceanarium and Lakeside Aquarium. In addition to the minimum amounts payable under the lease further amounts are due based on a percentage of turnover.

Lease payments recognised as an expense within the year were £242,662 (2021: £219,167).

23. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS102 Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by Piolin Bidco S.A.U.

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

24. Controlling party

The company is a subsidiary undertaking of Grant Leisure Group Limited, a company incorporated in England in the

UK. The registered office address of Grant Leisure Group Limited is Blackpool Zoo, East Park Drive, Blackpool,

Lancashire, FY3 8PP. The ultimate controlling party as at the period end was Piolin II, S.a.r.l., a company registered in Luxembourg.

The smallest and largest group in which the results of the Company are consolidated is that headed by Piolin Bidco S.A.U. The consolidated financial statements of these groups are available to the public and may be obtained from Piolin Bidco S.A.U. at:

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