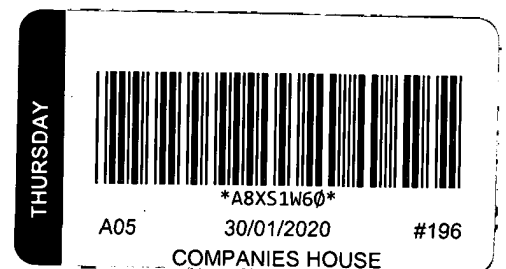


Company Registration No. 03763413 (England and Wales)

ANDREW BROWN LEISURE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019



ANDREW BROWN LEISURE LIMITED

COMPANY INFORMATION

Directors	S Brown O Brown O Foucre H A Lord A W Brown S Burge
Company number	03763413
Registered office	Crow Wood Leisure Centre Holme Road Burnley Lancashire BB12 0RT
Auditor	Baldwins Audit Services St Crispin House St Crispin Way Rossendale BB4 4PW

ANDREW BROWN LEISURE LIMITED

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ANDREW BROWN LEISURE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present the strategic report for the year ended 30 April 2019.

Fair review of the business

In January 2019 work on our hotel project re-commenced following the settlement of a legal argument.

The business continued to grow throughout the year, the net profit affected by the increasing debt servicing, legal and administrative costs demanded by the construction project.

Last financial year now seems a lifetime ago and I am pleased to report that at the time of writing this report (13/1/2020) the hotel project has been completed and opened on the 23 October 2019 and has got off to an extremely satisfactory start.

My thanks to my fellow Directors, Senior management team and staff for their amazing efforts in sustaining our continued growth.

On behalf of the board

.....
A W Brown

Director

28/1/2020

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities

The principal activity of the company and group continued to be that of leisure centre operators and restaurant operators.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Brown
O Brown
O Foucre
H A Lord
A W Brown
S Burge

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend a dividend payment on the group results.

Financial instruments

The business' principal financial instruments comprise bank balances, bank loans and overdrafts, trade debtors, trade creditors, other loans and hire purchase obligations to the business. The main purpose of these instruments is to finance the business' operations and the development of its facilities.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

The group bank borrowings are variable interest loan arrangements.

Trade debtors are managed in respect of credit and cash flow risk in policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditors risk is managed by ensuring sufficient funds are available to meet amounts due.

Other loans comprise loans from the directors and other individuals.

Hire purchase obligations are taken out at fixed rates.

Auditor

Baldwins Audit Services (previously trading as Cassons Audit services) are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ANDREW BROWN LEISURE LIMITED

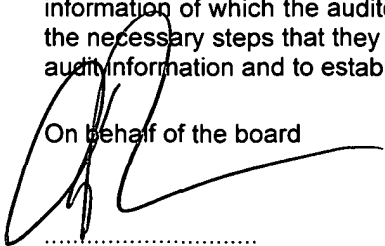
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
A W Brown

Director

Date:

28/1/2020

ANDREW BROWN LEISURE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2019

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 group and company will continue in business.

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

ANDREW BROWN LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANDREW BROWN LEISURE LIMITED

Opinion

We have audited the financial statements of Andrew Brown Leisure Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2019 and of the group's profit for the year 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 *Auditor's 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company'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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 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.

ANDREW BROWN LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANDREW BROWN LEISURE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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 financial statements.

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

ANDREW BROWN LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANDREW BROWN LEISURE LIMITED

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Nicholas Stockton (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

29th January 2020.
.....

Statutory Auditor

ANDREW BROWN LEISURE LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	7,464,069	7,202,810
Cost of sales		(3,908,491)	(3,896,326)
Gross profit		3,555,578	3,306,484
Administrative expenses		(2,964,374)	(2,892,336)
Other operating income		36,400	42,571
Operating profit	4	627,604	456,719
Interest payable and similar expenses	8	(287,551)	(295,082)
Profit before taxation		340,053	161,637
Tax on profit	9	(28,810)	(154,000)
Profit for the financial year		311,243	7,637

ANDREW BROWN LEISURE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2019

	2019 £	2018 £
Profit for the year	311,243	7,637
Other comprehensive income	-	-
Total comprehensive income for the year	<u>311,243</u>	<u>7,637</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

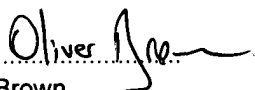
ANDREW BROWN LEISURE LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		16,503,710		13,911,654
Current assets					
Stocks	13	92,299		102,632	
Debtors	14	754,089		330,050	
Cash at bank and in hand		205,170		75,325	
		1,051,558		508,007	
Creditors: amounts falling due within one year	15	(5,449,425)		(3,727,794)	
Net current liabilities			(4,397,867)		(3,219,787)
Total assets less current liabilities			12,105,843		10,691,867
Creditors: amounts falling due after more than one year	16		(4,253,434)		(3,175,701)
Provisions for liabilities			(802,000)		(777,000)
Net assets			7,050,409		6,739,166
Capital and reserves					
Called up share capital	21	3,743,968		3,743,968	
Share premium account		251,139		251,139	
Capital redemption reserve		17,000		17,000	
Profit and loss reserves		3,038,302		2,727,059	
Total equity			7,050,409		6,739,166

The financial statements were approved by the board of directors and authorised for issue on 28/11/2020 and are signed on its behalf by:



 O Brown
 Director

ANDREW BROWN LEISURE LIMITED

COMPANY BALANCE SHEET

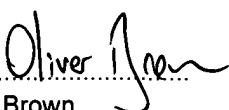
AS AT 30 APRIL 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	10	14,139,863	11,392,961
Investments	11	1	1
		<u>14,139,864</u>	<u>11,392,962</u>
Current assets			
Debtors	14	449,857	31,866
Cash at bank and in hand		158,083	-
		<u>607,940</u>	<u>31,866</u>
Creditors: amounts falling due within one year	15	<u>(4,180,297)</u>	<u>(2,237,500)</u>
Net current liabilities		<u>(3,572,357)</u>	<u>(2,205,634)</u>
Total assets less current liabilities		<u>10,567,507</u>	<u>9,187,328</u>
Creditors: amounts falling due after more than one year	16	(4,244,097)	(3,159,810)
Provisions for liabilities		<u>(542,000)</u>	<u>(517,000)</u>
Net assets		<u><u>5,781,410</u></u>	<u><u>5,510,518</u></u>
Capital and reserves			
Called up share capital	21	3,743,968	3,743,968
Share premium account		251,139	251,139
Capital redemption reserve		17,000	17,000
Profit and loss reserves		1,769,303	1,498,411
Total equity		<u><u>5,781,410</u></u>	<u><u>5,510,518</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £270,893 (2018 - £212,375 loss).

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

The financial statements were approved by the board of directors and authorised for issue on 28/11/2020 and are signed on its behalf by:



O Brown
Director

Company Registration No. 03763413

ANDREW BROWN LEISURE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		3,743,928	247,641	17,000	2,719,422	6,727,991
Year ended 30 April 2018:						
Profit and total comprehensive income for the year		-	-	-	7,637	7,637
Issue of share capital	21	40	3,498	-	-	3,538
Balance at 30 April 2018		3,743,968	251,139	17,000	2,727,059	6,739,166
Year ended 30 April 2019:						
Profit and total comprehensive income for the year		-	-	-	311,243	311,243
Balance at 30 April 2019		3,743,968	251,139	17,000	3,038,302	7,050,409

ANDREW BROWN LEISURE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		3,743,928	247,641	17,000	1,710,786	5,719,355
Year ended 30 April 2018:						
Loss and total comprehensive income for the year		-	-	-	(212,375)	(212,375)
Issue of share capital	21	40	3,498	-	-	3,538
Balance at 30 April 2018		3,743,968	251,139	17,000	1,498,411	5,510,518
Year ended 30 April 2019:						
Profit and total comprehensive income for the year		-	-	-	270,892	270,892
Balance at 30 April 2019		3,743,968	251,139	17,000	1,769,303	5,781,410

ANDREW BROWN LEISURE LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	25	2,174,147		1,546,049	
Interest paid		(287,551)		(266,110)	
Income taxes paid		(30,810)		-	
Net cash inflow from operating activities		1,855,786		1,279,939	
Investing activities					
Purchase of tangible fixed assets		(3,309,228)		(2,500,061)	
Proceeds on disposal of tangible fixed assets		10,000		18,420	
Net cash used in investing activities		(3,299,228)		(2,481,641)	
Financing activities					
Proceeds from issue of shares		-		3,538	
Proceeds of new bank loans		4,134,897		1,705,808	
Repayment of bank loans		(2,556,372)		(336,907)	
Payment of finance leases obligations		(6,548)		21,954	
Net cash generated from financing activities		1,571,977		1,394,393	
Net increase in cash and cash equivalents		128,535		192,691	
Cash and cash equivalents at beginning of year		70,309		(122,382)	
Cash and cash equivalents at end of year		198,844		70,309	
Relating to:					
Cash at bank and in hand		205,170		75,325	
Bank overdrafts included in creditors payable within one year		(6,326)		(5,016)	

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Andrew Brown Leisure Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Crow Wood Leisure Centre, Holme Road, Burnley, Lancashire, BB12 0RT.

The group consists of Andrew Brown Leisure Limited and its subsidiary Crow Wood Leisure Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Andrew Brown Leisure Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold improvements	2% straight line basis
Fixtures, fittings and equipment	5 - 33% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

3 Turnover and other revenue

	2019 £	2018 £
Turnover analysed by class of business		
UK	7,464,069	7,202,810

	2019 £	2018 £
Other significant revenue		
Grants received	36,400	36,400

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(36,400)	(36,400)
Depreciation of owned tangible fixed assets	711,000	723,301
Profit on disposal of tangible fixed assets	(3,828)	(8,120)

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,250	7,325
Audit of the financial statements of the company's subsidiaries	6,500	6,500
	13,750	13,825
For other services		
All other non-audit services	14,800	12,100

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Management	4	4	-	-
Leisure centre, spa and restaurant staff	190	200	-	-
	194	204	-	-

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,780,996	2,716,011	-	-
Social security costs	181,179	176,635	-	-
Pension costs	107,262	54,571	-	-
	<u>3,069,437</u>	<u>2,947,217</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	393,784	246,251
Company pension contributions to defined contribution schemes	82,663	40,929
	<u>476,447</u>	<u>287,180</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2018 - 5).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	106,552	77,999
Company pension contributions to defined contribution schemes	846	426
	<u>107,398</u>	<u>78,425</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	117,699	54,226
Other interest on financial liabilities	169,217	240,308
	<u>286,916</u>	<u>294,534</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	635	548
Total finance costs	<u>287,551</u>	<u>295,082</u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	-	27,000
Adjustments in respect of prior periods	3,810	-
	<u>3,810</u>	<u>27,000</u>
Total current tax	<u>3,810</u>	<u>27,000</u>
Deferred tax		
Origination and reversal of timing differences	25,000	127,000
	<u>25,000</u>	<u>127,000</u>
Total tax charge	<u>28,810</u>	<u>154,000</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>340,053</u>	<u>161,637</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	64,610	30,711
Tax effect of expenses that are not deductible in determining taxable profit	(4)	40,807
Tax effect of income not taxable in determining taxable profit	(6,916)	(6,916)
Tax effect of utilisation of tax losses	-	(54,803)
Unutilised tax losses carried forward	83	-
Deferred tax origination and reversal of timing differences	25,000	127,000
Adjustments in respect of prior years	3,810	-
Permanent capital allowances in excess of depreciation	(57,773)	17,201
	<u>28,810</u>	<u>154,000</u>
Taxation charge	<u>28,810</u>	<u>154,000</u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

10 Tangible fixed assets

Group	Land and buildings	Leasehold improvements	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2018	11,090,837	676,466	6,157,750	98,971	18,024,024
Additions	3,076,483	-	210,055	22,690	3,309,228
Disposals	-	-	-	(19,750)	(19,750)
At 30 April 2019	14,167,320	676,466	6,367,805	101,911	21,313,502
Depreciation and impairment					
At 1 May 2018	2,159,400	67,056	1,843,685	42,229	4,112,370
Depreciation charged in the year	160,458	13,532	513,309	23,701	711,000
Eliminated in respect of disposals	-	-	-	(13,578)	(13,578)
At 30 April 2019	2,319,858	80,588	2,356,994	52,352	4,809,792
Carrying amount					
At 30 April 2019	11,847,462	595,878	4,010,811	49,559	16,503,710
At 30 April 2018	8,931,437	609,410	4,314,065	56,742	13,911,654
Company		Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
		£	£	£	£
Cost					
At 1 May 2018		11,090,837	3,062,240	38,901	14,191,978
Additions		3,076,483	9,419	-	3,085,902
At 30 April 2019		14,167,320	3,071,659	38,901	17,277,880
Depreciation and impairment					
At 1 May 2018		2,159,400	619,777	19,840	2,799,017
Depreciation charged in the year		160,458	170,042	8,500	339,000
At 30 April 2019		2,319,858	789,819	28,340	3,138,017
Carrying amount					
At 30 April 2019		11,847,462	2,281,840	10,561	14,139,863
At 30 April 2018		8,931,437	2,442,463	19,061	11,392,961

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

11 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	12	-	-	1	1

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 May 2018 and 30 April 2019	1
Carrying amount	
At 30 April 2019	1
At 30 April 2018	1

12 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct Indirect
Crow Wood Leisure Limited	England	Leisure,spa and restaurant operators	Ordinary	100.00 -

13 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	92,299	102,632	-	-

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

14 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	5,534	17,116	-	-
Other debtors	335,630	29,138	335,630	29,138
Prepayments and accrued income	412,925	283,796	114,227	2,728
	<u>754,089</u>	<u>330,050</u>	<u>449,857</u>	<u>31,866</u>

15 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	17	6,326	407,178	-	403,697
Obligations under finance leases	18	6,069	6,063	-	-
Trade creditors		1,144,056	660,966	682,042	237,180
Amounts owed to group undertakings		-	-	721,018	127,263
Corporation tax payable		-	27,000	-	4,000
Other taxation and social security		375,812	315,660	-	-
Government grants	19	36,400	36,400	36,400	36,400
Other creditors		2,594,721	1,278,550	2,587,355	1,273,052
Accruals and deferred income		1,286,041	995,977	153,482	155,908
		<u>5,449,425</u>	<u>3,727,794</u>	<u>4,180,297</u>	<u>2,237,500</u>

The directors' current accounts and other loans included within other creditors above are unsecured and interest is charged at an agreed rate.

16 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	17	4,134,897	2,154,210	4,134,897	2,154,210
Obligations under finance leases	18	9,337	15,891	-	-
Government grants	19	109,200	145,600	109,200	145,600
Other creditors		-	860,000	-	860,000
		<u>4,253,434</u>	<u>3,175,701</u>	<u>4,244,097</u>	<u>3,159,810</u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

17 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	4,134,897	2,556,372	4,134,897	2,556,372
Bank overdrafts	6,326	5,016	-	1,535
	<u>4,141,223</u>	<u>2,561,388</u>	<u>4,134,897</u>	<u>2,557,907</u>
Payable within one year	6,326	407,178	-	403,697
Payable after one year	<u>4,134,897</u>	<u>2,154,210</u>	<u>4,134,897</u>	<u>2,154,210</u>

The bank loans and overdrafts are secured by way of debentures over all group companies, a legal charge over the company's property and a personal guarantee by A W Brown. Additionally the bank have taken a charge over life policies executed by the company over the lives of certain directors.

The bank loan is subject to interest at 3.75% and 2.75% over the bank base rate and is repayable over 5 years.

18 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	6,069	6,063	-	-
In two to five years	9,337	15,891	-	-
	<u>15,406</u>	<u>21,954</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

19 Government grants

	Group 2019 £	2018 £	Company 2019 £	2018 £
Deferred income is included in the financial statements as follows:				
Current liabilities	36,400	36,400	36,400	36,400
Non-current liabilities	109,200	145,600	109,200	145,600
	<u>145,600</u>	<u>182,000</u>	<u>145,600</u>	<u>182,000</u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

20 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	107,262	54,571

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company	
	2019	2018
Ordinary share capital	£	£
Issued and fully paid		
3,743,812 Ordinary shares of £1 each	3,743,812	3,743,812
155,994 E Ordinary shares of 0.1p each	156	156
	<u>3,743,968</u>	<u>3,743,968</u>

22 Financial commitments, guarantees and contingent liabilities

The group's bankers hold a composite guarantee securing the bank borrowings of the company and other group companies. At 30 April 2019, the total bank borrowings of the group amounted to £4,141,223 (2018 - £2,561,388).

The company is part of a group registration for VAT purposes. At the year end the outstanding VAT liability was £337,427 (2018 - £279,764).

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Acquisition of tangible fixed assets	<u>3,173,251</u>	<u>-</u>	<u>-</u>	<u>-</u>

24 Directors' transactions

During the year interest of £119,271 (2018 - £204,232) was charged to the company in respect of directors' loans. At the year end £71,650 (2018 - £126,501) of accrued interest is included within accruals and deferred income.

At the balance sheet date the amounts due to the directors was £1,693,602 (2018 - £1,053,052) and are included within other creditors.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

25 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	311,243	7,637
Adjustments for:		
Taxation charged	28,810	154,000
Finance costs	287,551	295,082
Gain on disposal of tangible fixed assets	(3,828)	(8,119)
Depreciation and impairment of tangible fixed assets	711,000	723,301
Movements in working capital:		
Decrease/(increase) in stocks	10,333	(10,243)
Increase in debtors	(424,039)	(4,805)
Increase in creditors	1,289,477	425,596
Decrease in deferred income	(36,400)	(36,400)
Cash generated from operations	2,174,147	1,546,049

26 Analysis of changes in net debt - group

	1 May 2018 £	Cash flows £	30 April 2019 £
Cash at bank and in hand	75,325	129,845	205,170
Bank overdrafts	(5,016)	(1,310)	(6,326)
	70,309	128,535	198,844
Borrowings excluding overdrafts	(2,556,372)	(1,578,525)	(4,134,897)
Obligations under finance leases	(21,954)	6,548	(15,406)
	(2,508,017)	(1,443,442)	(3,951,459)