

Company registration number 03763413 (England and Wales)

ANDREW BROWN LEISURE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

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 United Kingdom BB12 0RT
Auditor	Azets Audit Services Crown House Bridgewater Close Burnley Lancashire United Kingdom BB11 5TE

ANDREW BROWN LEISURE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 8
Group profit and loss account	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 28

ANDREW BROWN LEISURE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2023

The directors present the strategic report for the year ended 30 April 2023.

Fair review of the business and future developments

I am delighted to report that once again our company has made significant donations to local charities throughout the year totaling over £70,000.

Pendleside Hospice received £39,474, Burnley Community Grocery £31,050 and Burnley football club community £800.

During the last year our company car fleet has all been changed to fully electric with one exception where a suitable fully electric replacement is not available.

Our Gym and dance studios have received a total refurbishment following a £2 million investment and membership revenue is at record levels.

Construction of our new Spa extension commenced in the year and is programmed to complete in summer 2024 following a further £14m investment.

Nat West are providing the finance for this project and at year end contracts for Steelwork, Pools, specialists roofing, Electrical and Mechanical packages totaling approximately £5m have been entered into.

Net profit for the year was £1,159,884, or £3,317,999 expressed as EBITDA

I have enormous respect and confidence in our Board of Directors and senior management team and we view the future growth and profitability of the business with confidence.

Promoting the success of the company

Section 172 of the Companies Act 2006 requires a director of a group to act in a way they consider, in good faith would be most likely to promote the success of the group for the benefit of the members as a whole

The likely consequences of any decision in the long term

The board take account of all potential stakeholders when considering any long term decisions.

The interest of the group's employees

The board recognise that employees are fundamental to the success of the business. The group offers a range of employee benefits, including a free gym membership. The company continues to issue regular correspondence to employees to keep them informed of the group's current and future plans.

The group's hotel, spa and leisure facilities have a reputation for providing a high quality service and one of the key elements which makes this possible is the employees. By acting in the interest of employees, it means that the group can continue to offer exceptional customer service throughout all of its facilities.

The need to foster the group's relationship with suppliers, customers and others

The group understands the benefit of having strong relationships with suppliers and worked closely with them over the past couple of years to ensure they continued to be paid in line with payment terms despite the Covid-19 pandemic. The group is now reaping the benefits of these strong supply chains and is a priority when it comes to the delivery of products.

Our customers are of paramount importance and the group seeks to retain customers and establish long lasting relationships with them, which is underpinned by providing exceptional levels of customer service.

ANDREW BROWN LEISURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

The impact of the group's operations on the community and its environment

The group aims to recruit employees from the local area and strives to improve employment opportunities for local people. The local knowledge that these employees possess means they are able to offer recommendations to our customer base, which helps not only to benefit the wider local economy but aids in providing a high quality service.

The hotel is fitted out with energy efficient lighting, including lights in the corridors which are operated on a sensor basis, to minimise energy usage.

During the year, the group worked with the Ribble Rivers Trust to plant several thousand native trees across the group's site as we continue to enhance our 50 acre Deer and Wildlife sanctuary.

The desirability of the group to maintaining a reputation for high standards of business conduct

The Woodland Spa has won various awards and has also received international recognition. The group works hard to deliver a high quality and sophisticated experience.

The group continues to engage with the local community in keeping the section of the River Calder, which runs through the group's site, clear of any debris.

The need to act fairly between members of the group

The directors ensure that all major decisions which could potentially impact members of the group are discussed at board level. Weekly operations meetings are held and any decisions are discussed with senior members of all departments to ensure that all potential impacts are considered.

On behalf of the board

A W Brown
Director

4 August 2023

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2023

The directors present their annual report and financial statements for the year ended 30 April 2023.

Principal activities

The principal activity of the company and group is that of leisure centre, hotel and restaurant operators.

Results and dividends

The results for the year are set out on page 9.

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

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

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.

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

The group provides management training courses. Employees are given clear career paths and the group focuses on promotion from within.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

Energy consumption	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	6,475,681	
- Electricity purchased	2,389,115	
		8,864,796

Emissions of CO2 equivalent

	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	1,324.20	
- Fuel consumed for owned transport	-	
		1,324.20
Scope 2 - indirect emissions		
- Electricity purchased		557.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		-
Total gross emissions		1,881.20
Intensity ratio		
Tonnes CO2e per £1,000,000 revenue		118

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Intensity measurement

To compare the emissions efficiency of the business year on year as the business changes, metrics have been used to analyse emissions and to measure progress. These intensity metrics consider the growth of the business and act as a measure of business performance and emissions. The company have utilised the revenue during the financial year to determine the tonnage of CO2 (equivalent) per £1,000,000 generated as the intensity ratio.

Measures taken to improve energy efficiency

During the construction of the hotel facilities, the group ensured that energy efficient lighting was used. Lights within the corridors of the hotel are operated on a sensor basis, which assists in reducing electricity usage and thus any excess emissions generated.

To offset any adverse environmental impacts arising from the construction of various facilities, the group continues to work with local trusts to plant native trees on site, helping to enhance the 50 Acre Deer and Wildlife Sanctuary.

The group has acquired electric cars when possible in order to reduce emissions generated. When group car leases expire, it is group policy to replace these with electric alternatives when possible.

Statement of directors' responsibilities

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 ;
- prepare the 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.

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

4 August 2023

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 Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise 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 and notes to the financial statements, including 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 group's and the parent company's affairs as at 30 April 2023 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 group and parent 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

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 group's and parent 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.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

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 their 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 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 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 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 is available on the Financial Reporting Council's website at: <https://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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Julie Flintoff (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

4 August 2023

Chartered Accountants
Statutory Auditor

Crown House
Bridgewater Close
Burnley
Lancashire
United Kingdom
BB11 5TE

ANDREW BROWN LEISURE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
Turnover	3	16,219,395	16,034,030
Cost of sales		(9,395,934)	(8,004,930)
Gross profit		6,823,461	8,029,100
Administrative expenses		(4,929,836)	(5,118,230)
Other operating income		195,664	226,131
Operating profit	5	2,089,289	3,137,001
Interest payable and similar expenses	8	(596,199)	(457,494)
Profit before taxation		1,493,090	2,679,507
Tax on profit	9	(333,207)	(942,000)
Profit for the financial year		1,159,883	1,737,507

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		23,360,879		21,879,423
Current assets					
Stocks	13	258,627		188,543	
Debtors	14	213,985		674,815	
Cash at bank and in hand		295,457		150,857	
		<u>768,069</u>		<u>1,014,215</u>	
Creditors: amounts falling due within one year	15	<u>(6,529,923)</u>		<u>(6,807,544)</u>	
Net current liabilities			<u>(5,761,854)</u>		<u>(5,793,329)</u>
Total assets less current liabilities			17,599,025		16,086,094
Creditors: amounts falling due after more than one year	16		(7,316,694)		(7,319,646)
Provisions for liabilities					
Deferred tax liability	19	<u>1,900,000</u>		<u>1,544,000</u>	
			<u>(1,900,000)</u>		<u>(1,544,000)</u>
Net assets			<u>8,382,331</u>		<u>7,222,448</u>
Capital and reserves					
Called up share capital	22		3,743,968		3,743,968
Share premium account			251,139		251,139
Capital redemption reserve			17,000		17,000
Profit and loss reserves			<u>4,370,224</u>		<u>3,210,341</u>
Total equity			<u>8,382,331</u>		<u>7,222,448</u>

The financial statements were approved by the board of directors and authorised for issue on 4 August 2023 and are signed on its behalf by:

O Brown
Director

ANDREW BROWN LEISURE LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10	19,910,538		19,427,365	
Investments	11		1		1
		<u>19,910,539</u>		<u>19,427,366</u>	
Current assets					
Debtors	14	420		210	
Cash at bank and in hand		5,914		-	
		<u>6,334</u>		<u>210</u>	
Creditors: amounts falling due within one year	15	<u>(6,254,263)</u>		<u>(5,969,941)</u>	
Net current liabilities			<u>(6,247,929)</u>		<u>(5,969,731)</u>
Total assets less current liabilities			<u>13,662,610</u>		<u>13,457,635</u>
Creditors: amounts falling due after more than one year	16		<u>(7,232,066)</u>		<u>(7,319,646)</u>
Provisions for liabilities					
Deferred tax liability	19	1,305,000		1,164,000	
		<u>(1,305,000)</u>		<u>(1,164,000)</u>	
Net assets			<u>5,125,544</u>		<u>4,973,989</u>
Capital and reserves					
Called up share capital	22	3,743,968		3,743,968	
Share premium account		251,139		251,139	
Capital redemption reserve		17,000		17,000	
Profit and loss reserves		1,113,437		961,882	
Total equity			<u>5,125,544</u>		<u>4,973,989</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 £151,555 (2022 - £263,984 loss).

The financial statements were approved by the board of directors and authorised for issue on 4 August 2023 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 2023

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 May 2021	3,743,968	251,139	17,000	1,472,834	5,484,941
Year ended 30 April 2022:					
Profit and total comprehensive income for the year	-	-	-	1,737,507	1,737,507
Balance at 30 April 2022	3,743,968	251,139	17,000	3,210,341	7,222,448
Year ended 30 April 2023:					
Profit and total comprehensive income for the year	-	-	-	1,159,883	1,159,883
Balance at 30 April 2023	3,743,968	251,139	17,000	4,370,224	8,382,331

ANDREW BROWN LEISURE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2023

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 May 2021	3,743,968	251,139	17,000	1,225,866	5,237,973
Year ended 30 April 2022:					
Loss and total comprehensive income for the year	-	-	-	(263,984)	(263,984)
Balance at 30 April 2022	3,743,968	251,139	17,000	961,882	4,973,989
Year ended 30 April 2023:					
Profit and total comprehensive income for the year	-	-	-	151,555	151,555
Balance at 30 April 2023	3,743,968	251,139	17,000	1,113,437	5,125,544

ANDREW BROWN LEISURE LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	27	4,038,771	5,201,041
Interest paid		(596,199)	(457,494)
Income taxes refunded		22,793	-
Net cash inflow from operating activities		<u>3,465,365</u>	<u>4,743,547</u>
Investing activities			
Purchase of tangible fixed assets		(2,807,617)	(770,358)
Proceeds on disposal of tangible fixed assets		61,052	27,936
Net cash used in investing activities		<u>(2,746,565)</u>	<u>(742,422)</u>
Financing activities			
Repayment of bank loans		(648,112)	(4,745,142)
Payment of finance leases obligations		100,043	(2,830)
Net cash used in financing activities		<u>(548,069)</u>	<u>(4,747,972)</u>
Net increase/(decrease) in cash and cash equivalents		170,731	(746,847)
Cash and cash equivalents at beginning of year		124,726	871,573
Cash and cash equivalents at end of year		<u>295,457</u>	<u>124,726</u>
Relating to:			
Cash at bank and in hand		295,457	150,857
Bank overdrafts included in creditors payable within one year		-	(26,131)

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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 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 group financial statements consist of the financial statements of the parent company Andrew Brown Leisure Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 April 2023. 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.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.3 Going concern

These financial statements have been prepared on the going concern basis.

The cost of living crisis has had a negative impact on the wider economy, however the group has seen positive trading results. The directors are optimistic about future trading performance as bookings continue to be made across all facilities offered within the group's trading sectors. The group now looks to commence construction of a major project which will double the size of the Spa and increase the capacity of one of the restaurants. Undoubtedly, this will further strengthen the potential future profitability of the group.

The group is reliant on bank borrowings and loans from related parties. The directors are confident that they have the support of the bank and related parties for the foreseeable future.

The directors are completely confident that the group has adequate resources to continue in operational existence for the foreseeable future, and therefore in their opinion, the financial statements should be prepared on a going concern basis.

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.

Turnover represents the invoiced amount of food and drink sold and other services provided net of value added tax. Turnover is recognised at the point at which the company has fulfilled its contractual obligations.

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
Property 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.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

If any indication of impairment 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 net realisable value.

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.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

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.

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.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Accommodation, leisure facilities and restaurants	16,219,395	16,034,030
	<u> </u>	<u> </u>
	2023	2022
	£	£
Other revenue		
Grants received	195,664	226,131
	<u> </u>	<u> </u>

4 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	10,500	10,000
Audit of the financial statements of the company's subsidiaries	8,000	7,500
	<u> </u>	<u> </u>
	18,500	17,500
	<u> </u>	<u> </u>

5 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(195,664)	(36,400)
Depreciation of owned tangible fixed assets	1,291,000	1,300,008
Profit on disposal of tangible fixed assets	(25,891)	(12,000)
	<u> </u>	<u> </u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Senior management	10	9	-	-
Leisure centre, spa and restaurant staff	365	336	-	-
Total	375	345	-	-

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	6,551,383	6,234,911	-	-
Social security costs	467,308	501,610	-	-
Pension costs	159,398	129,771	-	-
	7,178,089	6,866,292	-	-

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	444,716	1,121,837
Company pension contributions to defined contribution schemes	60,000	44,091
	504,716	1,165,928

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	314,155	326,786
Other interest on financial liabilities	281,097	130,708
	595,252	457,494
Other finance costs:		
Interest on finance leases and hire purchase contracts	947	-
Total finance costs	596,199	457,494

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

9 Taxation

	2023 £	2022 £
Current tax		
Adjustments in respect of prior periods	(22,793)	-
Deferred tax		
Origination and reversal of timing differences	356,000	571,362
Changes in tax rates	-	370,638
Total deferred tax	356,000	942,000
Total tax charge	333,207	942,000

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:

	2023 £	2022 £
Profit before taxation	1,493,090	2,679,507
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	283,687	509,106
Tax effect of expenses that are not deductible in determining taxable profit	2,459	1,385
Tax effect of income not taxable in determining taxable profit	(6,916)	(6,916)
Depreciation on assets not qualifying for tax allowances	49,379	83,344
Under/(over) provided in prior years	(22,793)	-
Change in tax rate on deferred tax balance	-	370,638
Permanently enhanced capital allowances	(46,695)	(15,557)
Difference between actual tax rate and tax rate on deferred tax movement	74,086	-
Taxation charge	333,207	942,000

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

10 Tangible fixed assets

Group	Land and buildings	Property improvements	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2022	21,509,030	676,466	7,369,488	361,839	29,916,823
Additions	1,419,173	-	1,388,444	-	2,807,617
Disposals	-	-	-	(120,525)	(120,525)
At 30 April 2023	22,928,203	676,466	8,757,932	241,314	32,603,915
Depreciation and impairment					
At 1 May 2022	4,034,957	122,652	3,791,712	88,079	8,037,400
Depreciation charged in the year	780,000	15,000	446,000	50,000	1,291,000
Eliminated in respect of disposals	-	-	-	(85,364)	(85,364)
At 30 April 2023	4,814,957	137,652	4,237,712	52,715	9,243,036
Carrying amount					
At 30 April 2023	18,113,246	538,814	4,520,220	188,599	23,360,879
At 30 April 2022	17,474,073	553,814	3,577,776	273,760	21,879,423

Company	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 May 2022	21,509,030	3,071,659	174,693	24,755,382
Additions	1,419,173	-	-	1,419,173
At 30 April 2023	22,928,203	3,071,659	174,693	26,174,555
Depreciation and impairment				
At 1 May 2022	4,034,957	1,256,220	36,840	5,328,017
Depreciation charged in the year	780,000	156,000	-	936,000
At 30 April 2023	4,814,957	1,412,220	36,840	6,264,017
Carrying amount				
At 30 April 2023	18,113,246	1,659,439	137,853	19,910,538
At 30 April 2022	17,474,073	1,815,439	137,853	19,427,365

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

11 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	12	-	-	1	1

Movements in fixed asset investments Company

Cost or valuation

At 1 May 2022 and 30 April 2023

Shares in
subsidiaries
£

1

Carrying amount

At 30 April 2023

1

At 30 April 2022

1

12 Subsidiaries

Details of the company's subsidiaries at 30 April 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct Indirect	
Crow Wood Leisure Limited	England	Leisure,spa, hotel and restaurant operators	Ordinary	100.00	0

13 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	258,627	188,543	-	-

14 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	6,457	394,181	420	210
Prepayments and accrued income	207,528	280,634	-	-
	213,985	674,815	420	210

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

15 Creditors: amounts falling due within one year

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	17	387,996	974,659	387,996	974,659
Obligations under finance leases	18	31,950	16,535	-	-
Trade creditors		716,570	653,191	124,794	2
Amounts owed to group undertakings		-	-	3,932,712	3,538,842
Other taxation and social security		873,289	1,094,273	587,013	572,199
Government grants	20	-	36,400	-	36,400
Other creditors		1,123,469	834,144	1,106,651	814,457
Accruals and deferred income		3,396,649	3,198,342	115,097	33,382
		<u>6,529,923</u>	<u>6,807,544</u>	<u>6,254,263</u>	<u>5,969,941</u>

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

Finance lease obligations are secured against the fixed assets to which they relate.

Within accruals and deferred income is an amount in respect of deposits received for services to be provided by the group in future periods. At the balance sheet date the amount of deposits received is £3,065,572 (2022 : £2,972,646).

16 Creditors: amounts falling due after more than one year

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	17	5,432,066	5,519,646	5,432,066	5,519,646
Obligations under finance leases	18	84,628	-	-	-
Other creditors		1,800,000	1,800,000	1,800,000	1,800,000
		<u>7,316,694</u>	<u>7,319,646</u>	<u>7,232,066</u>	<u>7,319,646</u>

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

Finance lease obligations are secured against the fixed assets to which they relate.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

17 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	5,820,062	6,468,174	5,820,062	6,468,174
Bank overdrafts	-	26,131	-	26,131
	<u>5,820,062</u>	<u>6,494,305</u>	<u>5,820,062</u>	<u>6,494,305</u>
Payable within one year	387,996	974,659	387,996	974,659
Payable after one year	<u>5,432,066</u>	<u>5,519,646</u>	<u>5,432,066</u>	<u>5,519,646</u>

The bank loans and overdrafts are secured by way of a legal charge over the assets of the group.

The bank loans are subject to interest at 3.75% and 2.75% over the bank base rate and are repayable over 15 years.

18 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	31,950	16,535	-	-
In two to five years	84,628	-	-	-
	<u>116,578</u>	<u>16,535</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 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	1,946,000	1,578,674
Tax losses	(46,000)	(34,674)
	<u>1,900,000</u>	<u>1,544,000</u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

19 Deferred taxation (Continued)

	Liabilities 2023 £	Liabilities 2022 £
Company		
Accelerated capital allowances	1,351,000	1,198,674
Tax losses	(46,000)	(34,674)
	<u>1,305,000</u>	<u>1,164,000</u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 May 2022	1,544,000	1,164,000
Charge to profit or loss	356,000	141,000
	<u>1,900,000</u>	<u>1,305,000</u>

20 Government grants	Group 2023 £	2022 £	Company 2023 £	2022 £
Arising from government grants	-	36,400	-	36,400

21 Retirement benefit schemes	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	159,398	129,771

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.

22 Share capital	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	3,743,812	3,743,812	3,743,812	3,743,812
E Ordinary shares of 0.1p each	156	156	156	156
	<u>3,743,968</u>	<u>3,743,968</u>	<u>3,743,968</u>	<u>3,743,968</u>

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

23 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 2023, the total bank borrowings of the group amounted to £5,820,062 (2022 - £6,494,305).

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Spa extension project	2,000,000	-	2,000,000	-

Subsequent to the year end, a further £3,000,000 worth of contracts were committed to and signed with contractors, in relation to the Spa extension project. The directors anticipate the total costs in relation to the Spa extension project will be approximately £14,000,000.

Bank borrowing facilities have been agreed with the group's bankers to fund the Spa extension project.

25 Directors' transactions

During the year interest of £233,097 (2022 - £130,709) was charged to the company in respect of directors' loans. At the year end £68,097 (2022 - £2,382) of accrued interest is included within accruals and deferred income.

At the balance sheet date the amounts due to the directors and close family members was £2,906,651 (2022 - £2,614,007). The £2,906,651 owed to directors and close family members is disclosed within other creditors under one year and other creditors over one year, split £1,106,651 and £1,800,000 respectively.

26 Controlling party

The ultimate controlling party is A W Brown by virtue of his family interest.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

27 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	1,159,883	1,737,507
Adjustments for:		
Taxation charged	333,207	942,000
Finance costs	596,199	457,494
Gain on disposal of tangible fixed assets	(25,891)	(12,000)
Depreciation and impairment of tangible fixed assets	1,291,000	1,300,008
Movements in working capital:		
Increase in stocks	(70,084)	(105,220)
Decrease/(increase) in debtors	460,830	(42,983)
Increase in creditors	330,027	960,635
Decrease in deferred income	(36,400)	(36,400)
Cash generated from operations	4,038,771	5,201,041

28 Analysis of changes in net debt - group

	1 May 2022 £	Cash flows £	30 April 2023 £
Cash at bank and in hand	150,857	144,600	295,457
Bank overdrafts	(26,131)	26,131	-
	124,726	170,731	295,457
Borrowings excluding overdrafts	(6,468,174)	648,112	(5,820,062)
Obligations under finance leases	(16,535)	(100,043)	(116,578)
	(6,359,983)	718,800	(5,641,183)

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