

Company Registration No. 06184771 (England and Wales)

**BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2019**

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# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr P Rossiter Mr T White Mr J Morphet Mr G Walker
<b>Secretary</b>	Mr P Rossiter
<b>Company number</b>	06184771
<b>Registered office</b>	South Lakeland House Main A6 Yealand Redmayne Carnforth Lancashire LA5 9RN
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston, Lancashire PR2 5PE

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# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

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# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 JANUARY 2019***

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The directors present their annual report and financial statements for the year ended 31 January 2019.

#### **Principal activities**

The principal activity of the company continued to be that of the operation of a golf and leisure complex and the sale of lodge holiday homes.

#### **Directors**

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

Mr P Rossiter

Mr T White

Mr J Morphet

(Appointed 10 October 2018)

Mr G Walker

(Appointed 10 October 2018)

#### **Results and dividends**

No dividends were paid during the year. The directors do not recommend payment of a final dividend.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

#### **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 company's auditor 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 company's auditor is aware of that information.

# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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#### **Going concern**

The financial statements have been prepared on a going concern basis notwithstanding net current liabilities of £6,561,640 (2018: £4,162,910). The company meets its working capital requirements with support from its parent, Pure Leisure Group Limited. There is a letter of support dated 31 January 2019 from Pure Leisure Group Limited. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

In June 2015 the directors secured two new commercially advantageous facilities with HSBC. Term loan Facility A (£17,350,000) is a fifteen year term loan with interest payable at 2.25% above bank Base Rate. Facility B (£19,000,000) is a two year revolving credit facility with interest payable at 3.5% above bank Base Rate.

On the 28 July 2017 the above facilities with HSBC were amended and restated. The termination date of the revolving credit facility (Facility B) was amended to the seventh anniversary of the date of the original agreement. From the restatement date the interest rate on the revolving credit facility was amended to 3.25% above bank Base Rate.

On the 11 October 2017 HSBC offered a £2.2m Term Loan to facilitate the purchase of the freehold interest at Bridlington Links. On the same date HSBC offered to provide two further additional Base Rate Term Loans totalling £4.7m: £3.5m to assist with the share purchase of WES (UK) Limited and £1.2m to purchase the cash reserves of WES (UK) Limited. This facility was drawn down on 31 March 2018. The £1.2m facility was immediately repaid on receipt of the cash reserves. Interest on the loans is charged at 2.25% per annum over the Bank of England Base Rate with repayments commencing on 31 January 2019.

On the 3 October 2018 the Group's facilities with HSBC were further amended and restated. There were no changes to the existing 'A' and 'B' facilities. A new £12m Accordion Facility (Facility 'C') was secured. On 6 November 2018 a drawdown of £5.2m was made under this facility. The drawdown was used to repay the £2.2m Term Loan (11 October 2017) in relation to the purchase of the freehold interest at Bridlington Links. The balance of £3m was drawn down to reimburse funds paid by the Group from working capital to purchase the investment in Lowther Holiday Park Limited. Interest on the 'C' facility is charged at 2.25% above LIBOR with capital repayments commencing on 31 January 2019.

At the same time the overdraft facility was reduced from £4m to £1m.

The financial covenants pertaining to the HSBC Bank plc facility are measured against the combined performance of the wider Group, which is Pure Leisure Group Limited, its UK and overseas subsidiaries and Pure Leisure (a sole trader business operated by John Morphet). The failure to comply with these covenants would render the full facilities repayable on demand at the option of the lenders. Therefore, in forming their conclusion in relation to going concern, the directors have considered the financing and covenant compliance position of the group.

Based on the group management accounts for the current year to date the trading performance of the wider Group is positive with overall sales and profitability in line with expectation and tracking the year ended 31 January 2019.

The directors of the Group have prepared base and sensitised forecasts for a period in excess of 12 months from the date of authorisation of the financial statements of the Group. The directors are confident that all financial covenants during the period ending 31 January 2020 will be met.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

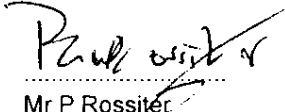
# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2019**

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On behalf of the board



Mr P Rossiter

Director

Date: 28.10.2019

# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

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#### **Opinion**

We have audited the financial statements of Bridlington Links Golf and Leisure Estate Limited (the 'company') for the year ended 31 January 2019 which comprise the Income Statement, the Statement Of Financial Position 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 company's affairs as at 31 January 2019 and of its loss 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 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.

#### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

#### **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.

# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

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*RSM UK Audit LLP*

**Ian Taylor (Senior Statutory Auditor)**

**for and on behalf of RSM UK Audit LLP, Statutory Auditor**

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston, Lancashire

PR2 5PE

*29/10/19*

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2019

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	Notes	2019 £	2018 £
Turnover		1,791,107	820,604
Cost of sales		(923,445)	(266,519)
<b>Gross profit</b>		<hr/> 867,662	<hr/> 554,085
Administrative expenses		(765,677)	(750,256)
<b>Operating profit/(loss)</b>		<hr/> 101,985	<hr/> (196,171)
Interest payable and similar expenses	4	(212,483)	(112,621)
<b>Loss before taxation</b>		<hr/> (110,498)	<hr/> (308,792)
Tax on loss		(37,301)	(1,400)
<b>Loss for the financial year</b>		<hr/> <hr/> (147,799)	<hr/> <hr/> (310,192)

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# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	6		2,418,496		130,264
<b>Current assets</b>					
Stocks	7	523,416		216,236	
Debtors	8	452,507		349,301	
Cash at bank and in hand		264,891		50,841	
		1,240,814		616,378	
<b>Creditors: amounts falling due within one year</b>	9	(7,802,454)		(4,779,288)	
<b>Net current liabilities</b>			(6,561,640)		(4,162,910)
<b>Total assets less current liabilities</b>			(4,143,144)		(4,032,646)
<b>Provisions for liabilities</b>	10		(38,701)		(1,400)
<b>Net liabilities</b>			(4,181,845)		(4,034,046)
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss reserves	12		(4,181,846)		(4,034,047)
<b>Total equity</b>			(4,181,845)		(4,034,046)

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 28.10.2019 and are signed on its behalf by:

  
Mr P Rossiter  
Director

Company Registration No. 06184771

# **BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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### **1 Accounting policies**

#### **Company information**

Bridlington Links Golf and Leisure Estate Limited is a private company limited by shares incorporated in England and Wales. The registered office is South Lakeland House, Main A6, Yealand Redmayne, Carnforth, Lancashire, LA5 9RN. The main trading address is Flamborough Road, Sewerby, Bridlington, East Yorkshire, YO15 1DW.

#### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding net current liabilities of £6,561,640 (2018: £4,162,910). The company meets its working capital requirements with support from its parent, Pure Leisure Group Limited. There is a letter of support dated 31 January 2019 from Pure Leisure Group Limited. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

In June 2015 the directors secured two new commercially advantageous facilities with HSBC. Term loan Facility A (£17,350,000) is a fifteen year term loan with interest payable at 2.25% above bank Base Rate. Facility B (£19,000,000) is a two year revolving credit facility with interest payable at 3.5% above bank Base Rate.

On the 28 July 2017 the above facilities with HSBC were amended and restated. The termination date of the revolving credit facility (Facility B) was amended to the seventh anniversary of the date of the original agreement. From the restatement date the interest rate on the revolving credit facility was amended to 3.25% above bank Base Rate.

On the 11 October 2017 HSBC offered a £2.2m Term Loan to facilitate the purchase of the freehold interest at Bridlington Links. On the same date HSBC offered to provide two further additional Base Rate Term Loans totalling £4.7m: £3.5m to assist with the share purchase of WES (UK) Limited and £1.2m to purchase the cash reserves of WES (UK) Limited. This facility was drawn down on 31 March 2018. The £1.2m facility was immediately repaid on receipt of the cash reserves. Interest on the loans is charged at 2.25% per annum over the Bank of England Base Rate with repayments commencing on 31 January 2019.

On the 3 October 2018 the Group's facilities with HSBC were further amended and restated. There were no changes to the existing 'A' and 'B' facilities. A new £12m Accordion Facility (Facility 'C') was secured. On 6 November 2018 a drawdown of £5.2m was made under this facility. The drawdown was used to repay the £2.2m Term Loan (11 October 2017) in relation to the purchase of the freehold interest at Bridlington Links. The balance of £3m was drawn down to reimburse funds paid by the Group from working capital to purchase the investment in Lowther Holiday Park Limited. Interest on the 'C' facility is charged at 2.25% above LIBOR with capital repayments commencing on 31 January 2019.

At the same time the overdraft facility was reduced from £4m to £1m.

The financial covenants pertaining to the HSBC Bank plc facility are measured against the combined performance of the wider Group, which is Pure Leisure Group Limited, its UK and overseas subsidiaries and Pure Leisure (a sole trader business operated by John Morphett). The failure to comply with these covenants would render the full facilities repayable on demand at the option of the lenders. Therefore, in forming their conclusion in relation to going concern, the directors have considered the financing and covenant compliance position of the group.

Based on the group management accounts for the current year to date the trading performance of the wider Group is positive with overall sales and profitability in line with expectation and tracking the year ended 31 January 2019.

The directors of the Group have prepared base and sensitised forecasts for a period in excess of 12 months from the date of authorisation of the financial statements of the Group. The directors are confident that all financial covenants during the period ending 31 January 2020 will be met.

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts and VAT.

The turnover of the company represents the sale of holiday lodges, income from owners and income generated from the golf and leisure complex.

#### 1.4 Intangible fixed assets - goodwill

Goodwill representing the excess of the consideration for an acquired business compared with the fair value of net assets acquired is capitalised. The useful economic lives are reviewed at the end of each reporting period. Goodwill acquired in December 2008 was fully written off by 31 January 2014.

#### 1.5 Deferred income

Income invoiced or cash received for site fees, holidays and other goods and services relating to future periods are included within deferred income.

#### 1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Leasehold land and buildings	2% straight line
Plant and equipment	25% straight line
Fixtures and fittings	25% straight line

Land is not depreciated.

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 credited or charged to profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises purchase price and all costs incurred in bringing the stocks to their present location and condition.

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.

#### 1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and other short-term liquid investments with original maturities of three months or less.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade debtors, other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **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 company after deducting all of its liabilities.



# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade creditors, other creditors and amounts due to fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.11 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 income statement 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 company'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The Chancellor has stated his intention to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. This change was substantively enacted on 6 September 2016.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

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

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# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 1 Accounting policies

(Continued)

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2018 - 18).

### 3 Directors' remuneration

The directors did not receive any remuneration during the year in respect of their services to the company. Director's remuneration is borne by the parent company, Pure Leisure Group Limited.

### 4 Interest payable and similar expenses

	2019 £	2018 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	212,483	112,621

### 5 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2018 and 31 January 2019	82,186
<b>Amortisation and impairment</b>	
At 1 February 2018 and 31 January 2019	82,186
<b>Carrying amount</b>	
At 31 January 2019	-
At 31 January 2018	-

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 6 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 February 2018	-	558,933	175,895	19,424	754,252
Additions	2,201,278	93,658	10,320	-	2,305,256
Transfers	652,591	(652,591)	-	-	-
At 31 January 2019	2,853,869	-	186,215	19,424	3,059,508
<b>Depreciation and impairment</b>					
At 1 February 2018	-	454,573	149,991	19,424	623,988
Depreciation charged in the year	1,408	81	15,535	-	17,024
Transfers	454,654	(454,654)	-	-	-
At 31 January 2019	456,062	-	165,526	19,424	641,012
<b>Carrying amount</b>					
At 31 January 2019	2,397,807	-	20,689	-	2,418,496
At 31 January 2018	-	104,360	25,904	-	130,264

On 19 March 2018 the company acquired the freehold interest for the leasehold land and buildings from East Riding District Council for £2,200,000. The leasehold assets were transferred to freehold on this date.

### 7 Stocks

	2019 £	2018 £
Stocks	523,416	216,236

### 8 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	81,538	40,133
Amounts owed by group undertakings	353,354	296,115
Prepayments and accrued income	17,615	13,053
	452,507	349,301

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 9 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	69,652	26,224
Amounts due to group undertakings	7,056,318	4,399,196
Other taxation and social security	6,568	12,701
Other creditors	254,906	199,071
Accruals and deferred income	415,010	142,096
	<u>7,802,454</u>	<u>4,779,288</u>

There is a debenture with HSBC Bank plc dated 30 June 2015 including a fixed charge over all present freehold and leasehold property, a first fixed charge, both present and future, over book and other debts, chattels, goodwill and un-called share capital. Additionally, there is a first floating charge dated 30 June 2015, both present and future, over all assets and undertakings of the business.

There is a composite company unlimited multilateral guarantee dated 30 June 2015 given by Pure Leisure Group Limited, Pure Leisure Estates Limited, Pure Leisure Lakes Limited, Tydd St Giles Golf and Leisure Complex Limited, Bridlington Links Golf and Leisure Estates Limited, Billing Aquadrome Limited, Billing Assets Limited, Northamptonshire Leisure Estates Limited, Pure Leisure Air Limited, Pure Pendle Limited, Tydd St Giles Lodge Developments Limited, Primrose Bank Caravan Park Limited WES (UK) Limited, Fylde Golf and Leisure Estates Limited, Billing Investments Limited, Pure Leisure Penrith Limited and Pure Leisure Cumbria Limited. These are all companies from the same group.

There is a legal mortgage dated 30 June 2015 between HSBC Bank plc and Bridlington Links Golf and Leisure Estate Limited for the freehold property known as Bridlington Links Golf and Leisure Estate.

HSBC hold a group off-set in respect of all companies.

#### 10 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	38,701	1,400
	<u>38,701</u>	<u>1,400</u>

#### 11 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary of £1 each	1	1
	<u>1</u>	<u>1</u>

#### 12 Profit and loss reserves

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 12 Profit and loss reserves

(Continued)

	2019 £	2018 £
At the beginning of the year	(4,034,047)	(3,723,855)
Loss for the year	(147,799)	(310,192)
At the end of the year	<u>(4,181,846)</u>	<u>(4,034,047)</u>

### 13 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Within one year	-	43,242
	<u>-</u>	<u>43,242</u>

Due to the leasehold land being purchased on 19 March 2018, only the commitment up until this date has been included above.

# BRIDLINGTON LINKS GOLF AND LEISURE ESTATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2019**

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### 14 Related party transactions

#### Transactions with related parties

The company has taken advantage of the exemption under Financial Reporting Standard 102 from disclosing transactions with group companies where consolidated financial statements are prepared.

During the year, the company made purchases totalling £42,800 (2018: £5,667) from Pure Leisure Air (North West) LLP, a partnership co-owned by John Morphet, the principal shareholder of the ultimate parent undertaking.

The company also entered into the following transactions with Pure Leisure, a sole trader business operated by John Morphet:

	2019 £	2018 £
Purchases	36,573	418
Included in trade creditors	-	199,070
Included in other creditors	242,720	-
	<u>242,720</u>	<u>199,070</u>

### 15 Parent company

The ultimate parent company is Pure Leisure Group Limited, a company registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by Pure Leisure Group Limited. The consolidated accounts of this group are available to the public and may be obtained from:

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ