

Registration number: 07674838

# Bannatyne Properties Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2023



## **Bannatyne Properties Limited**

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## **Bannatyne Properties Limited**

### **Company Information**

#### **Directors**

D W Bannatyne OBE, D.Sc. DBA

A V Bannatyne-Elliott

H N Bannatyne

V L Brown

#### **Registered office**

Power House

Haughton Road

Darlington

Co Durham

DL1 1ST

#### **Auditors**

Armstrong Watson Audit Limited

One Strawberry Lane

Newcastle upon Tyne

NE1 4BX

## **Bannatyne Properties Limited**

### **Directors' Report for the Year Ended 31 December 2023**

The directors present their report and the consolidated financial statements for the year ended 31 December 2023.

#### **Principal activity**

The principal activity of the group is that of property management and rental.

#### **Business review**

Turnover for the year increased to £825,206 (2022: £764,397) and profit before tax amounted to £353,183 (2022: £452,071). There have been no major events in the Group during the year.

#### **Directors**

The directors who held office during the year were as follows:

D W Bannatyne OBE, D.Sc. DBA

A V Bannatyne-Elliott

H N Bannatyne

V L Brown

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group had cash balances of £115,886 (31 December 2022: £432,461) and net current liabilities of £242,222 (31 December 2022: net current assets of £112,236) at 31 December 2023. The group has received all rent due from its investment properties during 2023 and subsequent to the year end.

As highlighted on page 14, the maintenance of rental income has historically, and continues to, generate operating cash inflows in excess of both scheduled capital and interest repayments derived from bank loans and other borrowings. The directors' have identified no indicators that this position will change for a period of at least twelve months from the date of approval of these financial statements.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**Bannatyne Properties Limited**

**Directors' Report for the Year Ended 31 December 2023 (continued)**

**Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Reappointment of auditors**

Armstrong Watson Audit Limited have indicated their willingness to be reappointed under Section 485 of The Companies Act 2006.

Approved and authorised by the Board on 15<sup>th</sup> March 2024 and signed on its behalf by:

DocuSigned by:

*Vicki Brown*

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V L Brown

Director

## **Bannatyne Properties Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

## **Bannatyne Properties Limited**

### **Independent Auditor's Report to the Members of Bannatyne Properties Limited**

#### **Opinion**

We have audited the financial statements of Bannatyne Properties Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

*In our opinion the financial statements:*

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its results 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 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 director's 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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

#### **Other information**

The 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.

## **Bannatyne Properties Limited**

### **Independent Auditor's Report to the Members of Bannatyne Properties Limited (continued)**

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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 our 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 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 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.



## **Bannatyne Properties Limited**

### **Independent Auditor's Report to the Members of Bannatyne Properties Limited (continued)**

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of laws and regulations that affect the group, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and relevant health & safety legislation

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and tested the operating effectiveness of key controls over purchase cycles on a sample basis; and
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty, including investment property valuation.

## **Bannatyne Properties Limited**

### **Independent Auditor's Report to the Members of Bannatyne Properties Limited (continued)**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

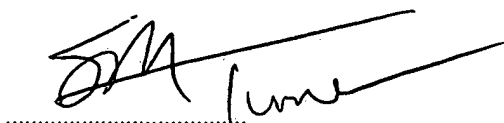
- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.



Simon Turner (Senior Statutory Auditor)

For and on behalf of Armstrong Watson Audit Limited, Statutory Auditor

Newcastle upon Tyne

Date: 15<sup>th</sup> March 2024

**Bannatyne Properties Limited****Consolidated Profit and Loss Account for the Year Ended 31 December 2023**

	Note	2023 £	2022 £
Turnover	4	825,206	764,397
Administrative expenses		<u>(31,813)</u>	<u>(17,883)</u>
<b>Operating profit</b>	5	<b>793,393</b>	<b>746,514</b>
Interest payable and similar expenses	7	<u>(440,210)</u>	<u>(294,443)</u>
<b>Profit before tax</b>		<b>353,183</b>	<b>452,071</b>
Tax on profit	8	<u>(83,321)</u>	<u>(87,416)</u>
<b>Profit for the financial year</b>		<b><u>269,862</u></b>	<b><u>364,655</u></b>

The above results were derived from continuing operations.

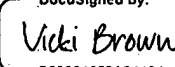
The group has no recognised gains or losses for the year other than the results above.

The notes on pages 15 to 27 form an integral part of these financial statements.

**Bannatyne Properties Limited****(Registration number: 07674838)****Consolidated Balance Sheet as at 31 December 2023**

	Note	2023 £	2022 £
Tangible assets	9	-	-
Investment property	10	10,066,658	10,066,658
		<u>10,066,658</u>	<u>10,066,658</u>
<b>Current assets</b>			
Debtors	12	50,731	49,039
Cash at bank and in hand		115,886	432,461
		<u>166,617</u>	<u>481,500</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(408,839)</u>	<u>(369,264)</u>
<b>Net current (liabilities) / assets</b>		<u>(242,222)</u>	<u>112,236</u>
<b>Total assets less current liabilities</b>		<u>9,824,436</u>	<u>10,178,894</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(6,028,824)</u>	<u>(6,657,329)</u>
<b>Provisions for liabilities</b>	15	<u>(114,484)</u>	<u>(110,299)</u>
<b>Net assets</b>		<u>3,681,128</u>	<u>3,411,266</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,200,000	1,200,000
Profit and loss account		<u>2,481,128</u>	<u>2,211,266</u>
<b>Shareholders' funds</b>		<u>3,681,128</u>	<u>3,411,266</u>

Approved and authorised by the Board on 15<sup>th</sup> March 2024 and signed on its behalf by:

DocuSigned by:  
  
 820821058A94404.....  
 V L Brown  
 Director

The notes on pages 15 to 27 form an integral part of these financial statements.

**Bannatyne Properties Limited**  
**(Registration number: 07674838)**  
**Company Balance Sheet as at 31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	9	-	-
Investment property	10	8,059,348	8,059,348
Investments	11	2,007,310	2,007,310
		<u>10,066,658</u>	<u>10,066,658</u>
<b>Current assets</b>			
Debtors	12	34,333	35,764
Cash at bank and in hand		93,154	409,730
		<u>127,487</u>	<u>445,494</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(1,101,653)</u>	<u>(963,677)</u>
<b>Net current liabilities</b>		<u>(974,166)</u>	<u>(518,183)</u>
<b>Total assets less current liabilities</b>		<b>9,092,492</b>	<b>9,548,475</b>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(6,028,824)</u>	<u>(6,657,329)</u>
<b>Provisions for liabilities</b>	15	<u>(114,484)</u>	<u>(110,299)</u>
<b>Net assets</b>		<u>2,949,184</u>	<u>2,780,847</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,200,000	1,200,000
Profit and loss account		1,749,184	1,580,847
<b>Shareholders' funds</b>		<u>2,949,184</u>	<u>2,780,847</u>

The company made a profit after tax for the financial year of £168,337 (2022: £262,016).

Approved and authorised by the Board on 15<sup>th</sup> March 2024 and signed on its behalf by:

DocuSigned by:

Vicki Brown

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V L Brown

Director

The notes on pages 15 to 27 form an integral part of these financial statements.

**Bannatyne Properties Limited****Consolidated Statement of Changes in Equity for the Year Ended 31 December 2023**  
**Equity attributable to the parent company****At 31 December 2023**

	Share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2023</b>	<b>1,200,000</b>	<b>2,211,266</b>	<b>3,411,266</b>
<b>Profit for the year</b>	<b>-</b>	<b>269,862</b>	<b>269,862</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>269,862</b>	<b>269,862</b>
<b>At 31 December 2023</b>	<b>1,200,000</b>	<b>2,481,128</b>	<b>3,681,128</b>

**At 31 December 2022**

	Share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2022</b>	<b>1,200,000</b>	<b>1,846,611</b>	<b>3,046,611</b>
<b>Profit for the year</b>	<b>-</b>	<b>364,655</b>	<b>364,655</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>364,655</b>	<b>364,655</b>
<b>At 31 December 2022</b>	<b>1,200,000</b>	<b>2,211,266</b>	<b>3,411,266</b>

The notes on pages 15 to 27 form an integral part of these financial statements.

**Bannatyne Properties Limited****Company Statement of Changes in Equity for the Year Ended 31 December 2023****At 31 December 2023**

	Share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2023</b>	<b>1,200,000</b>	<b>1,580,847</b>	<b>2,780,847</b>
<b>Profit for the year</b>	<b>-</b>	<b>168,337</b>	<b>168,337</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>168,337</b>	<b>168,337</b>
<b>At 31 December 2023</b>	<b>1,200,000</b>	<b>1,749,184</b>	<b>2,949,184</b>

**At 31 December 2022**

	Share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2022</b>	<b>1,200,000</b>	<b>1,318,831</b>	<b>2,518,831</b>
<b>Profit for the year</b>	<b>-</b>	<b>262,016</b>	<b>262,016</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>262,016</b>	<b>262,016</b>
<b>At 31 December 2022</b>	<b>1,200,000</b>	<b>1,580,847</b>	<b>2,780,847</b>

The notes on pages 15 to 27 form an integral part of these financial statements.

# Bannatyne Properties Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Profit for the year		269,862	364,655
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation and amortisation	5	-	633
Loss on disposal of investment property	5	-	-
Finance costs	7	440,210	294,443
Income tax expense	8	83,321	87,416
		<u>793,393</u>	<u>747,147</u>
<b>Working capital adjustments</b>			
Increase in debtors	12	(1,692)	(13,275)
Increase / (decrease) in creditors		<u>106,345</u>	<u>(51,980)</u>
<b>Cash generated from operations</b>		<b>898,046</b>	<b>681,892</b>
Income taxes paid		<u>(87,128)</u>	<u>(141,497)</u>
<b>Net cash flow from operating activities</b>		<b>810,918</b>	<b>540,395</b>
<b>Cash flows from investing activities</b>			
Payments for investment properties	10	-	-
Receipts from sale of investment properties	10	-	-
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Interest paid		(370,602)	(226,119)
Proceeds from related party loan		-	-
Proceeds from bank borrowing draw downs		-	-
Repayment of bank borrowing	17	(116,891)	(159,758)
Repayment of other borrowing	17	(640,000)	-
<b>Net cash flows from financing activities</b>		<b>(1,127,493)</b>	<b>(385,877)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(316,575)</b>	<b>154,518</b>
<b>Cash and cash equivalents at 1 January</b>		<b>432,461</b>	<b>277,943</b>
<b>Cash and cash equivalents at 31 December</b>		<b>115,886</b>	<b>432,461</b>

The notes on pages 15 to 27 form an integral part of these financial statements.



## **Bannatyne Properties Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **1 General information**

Bannatyne Properties Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act.

*The company and its subsidiaries are tax resident in the United Kingdom.*

The address of the registered office is given on the Company Information page and the nature of the group's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies. Details of the significant judgements and estimates are provided in note 3.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2023.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

## **Bannatyne Properties Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

#### **Parent company disclosure exemptions**

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical; and
- No cash flow statement or net debt reconciliation has been presented for the parent company.

#### **Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The group had cash balances of £115,886 (31 December 2022: £432,461) and net current liabilities of £242,222 (31 December 2022: net current assets of £112,236) at 31 December 2023. The group has received all rent due from its investment properties during 2023 and subsequent to the year end.

As highlighted on page 14, the maintenance of rental income has historically, and continues to, generate operating cash inflows in excess of both scheduled capital and interest repayments derived from bank loans and other borrowings. The directors' have identified no indicators that this position will change for a period of at least twelve months from the date of approval of these financial statements.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **Revenue**

Turnover represents sales to and rent receivable from external customers at invoiced amounts less value added tax.

Turnover is recognised on a straight-line basis over the lease.

## Bannatyne Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

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

##### Tangible assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

##### Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	3-10 years straight line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of tangible assets is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## **Bannatyne Properties Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Investment property**

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the group. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

##### **Investments**

Investments in equity shares are measured at cost less impairment.

##### **Financial assets**

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

##### **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Debtors**

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

##### **Creditors**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

##### **Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## Bannatyne Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

##### *Investment property valuation*

Investment properties are professionally valued annually by either professional valuers or revalued by the Directors depending on the anticipated property market movement. Valuations are carried out on a market basis with reference to applicable rental yields in the market.

#### 4 Revenue

Turnover is wholly attributable to the principal activity of property management and property rental. Turnover arises solely within the United Kingdom.

#### 5 Operating profit

Operating profit is stated after charging:

	2023	2022
	£	£
Loss on disposal of investment property	-	-
Depreciation of tangible fixed assets	-	-
	<hr/>	<hr/>

The average number of employees (excluding directors) was Nil (2022: Nil). None of the directors received any remuneration from the Company during the year, or in the previous year, in respect of their services to the company. There was no key management remuneration.

**Bannatyne Properties Limited****Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)****6 Auditors' remuneration**

	2023	2022
	£	£
Audit of these financial statements	3,000	3,000

**7 Interest payable and similar expenses**

	2023	2022
	£	£
Bank loans	370,602	220,995
Other interest (note 18)	59,160	63,000
Amortisation of debt issue costs	10,448	10,448
	<u>440,210</u>	<u>294,443</u>

**8 Taxation****Tax charged in the income statement**

	2023	2022
	£	£
<b>Current taxation</b>		
Current tax	79,136	82,967
Adjustments in respect of prior periods	-	-
	<u>79,136</u>	<u>82,967</u>

**Deferred taxation**

Origination and reversal of timing differences	4,185	3,381
Effect of tax rate change on opening balances*	-	1,068
Adjustments in respect of prior periods	-	-
	<u>4,185</u>	<u>4,449</u>
<b>Total deferred taxation</b>	<u>4,185</u>	<u>4,449</u>
<b>Tax expense in the income statement</b>	<u>83,321</u>	<u>87,416</u>

## Bannatyne Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 8 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 25% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
<b>Profit before tax</b>	<b>353,183</b>	<b>452,071</b>
<b>Tax at the statutory tax rate of 23.5% (2022: 19%)</b>	<b>83,068</b>	<b>85,893</b>
Expenses not deductible for tax purposes	-	-
Remeasurement of deferred tax for changes in tax rates*	253	1,523
Adjustments to tax charge in respect of previous periods - deferred tax	-	-
Adjustments to tax charge in respect of previous periods	-	-
<b>Total tax charge</b>	<b>83,321</b>	<b>87,416</b>

\*Following the enactment of the Finance Act the future corporation tax rate is due to increase from 19% to 25%. As a result of this enactment in determining this year's deferred tax position opening balances were rebased from 19% to 25% from 1 April 2023.

#### Deferred tax

##### Group and Company

Deferred tax assets and liabilities

	Liability £
<b>2023</b>	
Accelerated capital allowances	114,484
Expenses not deductible for tax purposes	-
	<b>114,484</b>
<b>2022</b>	
Accelerated capital allowances	110,299
Expenses not deductible for tax purposes	-
	<b>110,299</b>

There are no factors expected to affect future tax rates.

**Bannatyne Properties Limited****Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)****9 Tangible assets****Group and Company**

	<b>Total</b>
	<b>£</b>
<b>2023</b>	
<b>Cost</b>	
At 1 January 2023 and 31 December 2023	<u>8,967</u>
<b>Depreciation</b>	
At 1 January 2023	8,334
Charge for year	633
At 31 December 2023	<u>8,967</u>
<b>Carrying Value</b>	
At 31 December 2023	<u>-</u>
At 1 January 2023	<u>-</u>

**10 Investment properties****Group**

	<b>Total</b>
	<b>£</b>
<b>Fair Value</b>	
At 1 January 2023	10,066,658
Additions	-
Disposals	-
At 31 December 2023	<u>10,066,658</u>
<b>Fair Value</b>	
At 1 January 2022	9,822,155
Additions	244,503
Disposals	-
At 31 December 2022	<u>10,066,658</u>

**Company**

	<b>Total</b>
	<b>£</b>
<b>Fair Value</b>	
At 1 January 2023	8,059,348
Additions	-
At 31 December 2023	<u>8,059,348</u>
<b>Fair Value</b>	
At 1 January 2022	7,814,845
Additions	244,503
At 31 December 2022	<u>8,059,348</u>



## Bannatyne Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 10 Investment properties (continued)

##### Valuations of investment properties

A professional valuation was carried out for one of the existing investment properties as at 31 December 2018 by Sanderson Weatherall, another as at 31 December 2019 and another as at 31 December 2021 by JLL, on a market value basis by considering applicable rental yields in the area. The directors have reviewed the valuation of investment properties as at 31 December 2023 and consider that there is no material difference to the valuations above. The historical cost of investment property is £9,930,155 (2022: £9,930,155).

#### 11 Investments

##### Company

	2023	2022
	£	£
Investments in subsidiaries	<u>2,007,310</u>	<u>2,007,310</u>

Details of the company's subsidiary undertakings are as follows:

Undertaking	Principal activity	Proportion of voting rights and shares held	
		2023	2022
Bannatyne's Health Club (Norwich West) Limited	Property company	100%	100%
Bannatyne Media Limited	Dormant	100%	100%

The registered address of both subsidiaries is Power House, Haughton Road, Darlington, Co Durham, DL1 1ST.

#### 12 Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	50,731	49,039	34,333	35,764
Prepayments and accrued income	-	-	-	-
	<u>50,731</u>	<u>49,039</u>	<u>34,333</u>	<u>35,764</u>

All amounts shown under debtors fall due for repayment within one year.

# Bannatyne Properties Limited

## Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

### 13 Creditors

	Note	Group		Company	
		2023 £	2022 £	2023 £	2022 £
Due within one year					
Loans and borrowings	14	106,444	165,223	106,444	165,223
Trade creditors		127,042	18,652	29,328	18,652
Amounts owed to group undertakings		-	-	844,411	647,605
Amounts due to related parties	18	40,342	40,342	39,383	39,383
Social security and other taxes		40,688	40,935	34,050	34,385
Accruals		15,188	21,170	125	125
Corporation tax		79,135	82,942	47,912	58,304
		408,839	369,264	1,101,653	963,677
Due after one year					
Loans and borrowings	14	6,028,824	6,657,329	6,028,824	6,657,329

Amounts due to related parties within one year and amounts owed to group undertakings are interest free and are unsecured.

### 14 Loans and borrowings

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
<b>Current loans and borrowings</b>				
Bank borrowings	106,444	165,223	106,444	165,223
<b>Non-current loans and borrowings</b>				
Loans due to related parties (note 18)	1,634,660	2,215,500	1,634,660	2,215,500
Bank borrowings	4,394,164	4,441,829	4,394,164	4,441,829
	<b>6,028,824</b>	<b>6,657,329</b>	<b>6,028,824</b>	<b>6,657,329</b>

## Bannatyne Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 14 Loans and borrowings (continued)

Maturity of bank loans is as follows:

	Bank loans £
<b>2023</b>	
In one year or less or on demand	106,444
in one to two years	4,394,164
In two to five years	1,634,660
In more than five years	-
	<u>6,135,268</u>
	Bank loans £
<b>2022</b>	
In one year or less or on demand	165,223
in one to two years	165,223
In two to five years	4,276,606
In more than five years	2,215,500
	<u>6,822,552</u>

#### Group

##### Bank borrowings

The 2020 existing bank loan is repayable in monthly instalments, with the balance of £2.1m to be repaid upon maturity on 16<sup>th</sup> March 2025. The bank loan is secured by a fixed and floating charge over the investment properties of the company.

The company also entered into a further 5-year bank term loan arrangement in April 2021, in order to fund the company's acquisition of the Stratford site from Bannatyne Fitness Limited. This loan is for £2,500,000 and is repayable in capital and interest instalments, with a final instalment of £2.1m to be repaid upon maturity in April 2026. The bank loan is secured by a fixed and floating charge over the Stratford investment property owned by the company.

##### Financial covenants

The group are subject to financial covenants in relation to debt service cover and loan to value ratio on bank facilities. The group has been in compliance with these covenants during the year and subsequent to the year end. Breach of them could render any outstanding borrowings subject to immediate repayment.

The bank loans are secured by a charge over certain assets of each of the companies.

##### Related party borrowings

Amounts due to related parties due after one year attract a 3% interest rate, are unsecured and have no fixed repayment terms. The loan is payable to Bannatyne Finance Limited.

**Bannatyne Properties Limited****Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)****15 Provisions for liabilities****Group and company**

	2023 £	2022 £
<b>Deferred Tax</b>		
At 1 January	110,299	105,850
Charged to profit and loss	4,185	4,449
At 31 December	<u>114,484</u>	<u>110,299</u>

**16 Share capital****Allotted, called up and fully paid shares**

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	1,200,000	1,200,000	1,200,000	1,200,000

**17 Analysis of changes in net debt****Group****2023**

	At 1 January 2023 £	Financing cash flows £	Other non- cash changes £	At 31 December 2023 £
<b>Cash and cash equivalents</b>				
Cash	432,461	(316,575)	-	115,886
<b>Borrowings</b>				
Long term borrowings	6,657,329	(640,000)	11,495	6,028,824
Short term borrowings	165,223	(116,891)	58,112	106,444
<b>Total borrowings</b>	<u>6,822,552</u>	<u>(756,891)</u>	<u>69,607</u>	<u>6,135,268</u>
<b>Net Debt</b>	<u>6,390,091</u>	<u>(440,316)</u>	<u>69,607</u>	<u>6,019,382</u>

## Bannatyne Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 17 Analysis of changes in net debt (continued)

2022

	At 1 January 2022 £	Financing cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash and cash equivalents				
Cash	277,943	154,518	-	432,461
Borrowings				
Long term borrowings	6,743,639	-	(86,310)	6,657,329
Short term borrowings	165,223	(159,758)	159,758	165,223
Total borrowings	6,908,862	(159,758)	73,448	6,822,552
Net Debt	6,630,919	(314,276)	73,448	6,390,091

#### 18 Related party transactions

1) During the year the group charged rent of £825,206 (2022: £764,397) to Bannatyne Fitness Limited, a company controlled by D W Bannatyne. The balance outstanding at the year-end in trade debtors was £50,731 (2022: £46,935).

##### 2) Related party loan

The balance outstanding at the year-end was £1,634,660 (2022: £2,215,500). An amount of £2,152,500 was loaned in April 2021 from Bannatyne Finance Limited, in order to part fund (along with the £2,500,000 bank loan) the purchase of the Stratford property in 2021. Interest on the loan is repayable at 3% interest per annum and is accrued monthly. During the year ended 31 December 2023, £640,000 of the outstanding loan was repaid. The loan has no fixed repayment term, and is unsecured.

##### 3) Bannatyne Brand Management

The balance outstanding to Bannatyne Brand Management, a company controlled by D W Bannatyne, at 31 December 2023 was £40,342 (2022: £40,342).

#### 19 Ultimate Controlling Party

The ultimate controlling party is Duncan Bannatyne OBE, D.Sc. DBA.

#### 20 Events after the financial period

There are no significant events, which occurred between the balance sheet and the signing of these financial statements, that are required to be disclosed.