

Company registration number 02060782 (England and Wales)

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

LANGDALE LEISURE LIMITED

COMPANY INFORMATION

Directors	Mr J Longmuir Mr M Coletta Ms S Spencer
Secretary	Mrs J A Bell
Company number	02060782
Registered office	The Langdale Estate Great Langdale Ambleside LA22 9JD
Auditor	MHA Moore and Smalley Priory Close St Marys Gate Lancaster LA1 1XB

LANGDALE LEISURE LIMITED

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LANGDALE LEISURE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2023

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

Summary

This year we saw continued recovery and rebuilding of the business post-pandemic. Despite a reduction in profits, it was a good year for the business. The positive profit position at the end of the year was at the upper end of expectations, given the turmoil in the economy over the period and the anticipated withdrawal of the COVID-related rates reduction benefit of £220,000.

Financial Summary

Turnover £10,208,660 - an increase of £865,456 on previous year

Profit Before Interest & Tax £191,630 - a decrease of £382,729 on previous year

Profit Before Tax £45,156 - a decrease of £375,557 on previous year

Profit After Tax £17,598 - a decrease of £83,296

Total shareholder funds increased by 0.4% to £4,100,534.

The cash funds position remains strong, with a balance of £2,912,953, reflecting the continued strength of forward bookings.

The decrease in creditors falling due within one year is largely as a result of the renewal of one of the loans from Barclays Bank.

Good inroads were made into debt repayment, with loan reductions in the year of £449,014.

The balance sheet is in a very healthy position, although our aim is to get net liabilities into a positive position.

Trading Review

The financial year started in the shadow of the Ukraine war and the end of government Covid support with tax rates returning to normal levels. At the same time, the challenges with recruitment continued to plague the business and cause uncertainty in services available. Stove and the Leisure Club operated with restricted hours and service in the first six months. Langdale Hotel and Brimstone had a number of rooms out of letting for much of the year.

During the year, following investment in the Human Resources function and a concerted effort to find alternative staff accommodation, a degree of stability was achieved for the business with recruitment settling into normal demand levels.

Along with the aforementioned withdrawal of the COVID-related rates reduction benefit of £220,000, the single largest ongoing threat to the business this year has been inflation, particularly in energy and food, peaking at 98.7% and 17.8% increases respectively. This impacted directly on our operational costs, with energy alone costing £135,000 more than the previous year. There was also an indirect impact through the supply chain, with both product and delivery cost increases being passed on. While inflation and energy costs are continuing to fall in 2023, the levels remain significantly higher than they were immediately pre Covid.

Wage inflation is also stabilising and while Langdale has been affected by this, it has been managed well, with investment in our people beyond pay levels being a key focus and is being well received.

With all of these pressures being brought to bear on the economy, there was concern that this would translate through to our guests and that business would be severely impacted, adding to the risks that the increasing costs were bringing, however, the demand for Langdale has remained strong and this can be seen in the growth in hotel accommodation with both Hotels returning their highest ever revenue figures, despite rooms out of letting. Wainwrights also bucked the trend and produced a sales result that was 17.7% higher than its best-ever year of 2017/18. It should be noted that these trends have continued into the new financial year.

LANGDALE LEISURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Trading Review (continued)

Stove revenue was up 7% on the prior year, but this department has been severely impacted by the continued shortage of skilled chefs and as a consequence of this the restaurant suffered from inconsistent quality and restricted service. In mid-July 2023, the restaurant was closed for 3 days to refocus the team, deliver much-needed training and to reopen with a new menu and commitment to service delivery.

A change of tactic in promoting the Brimstone Spa and management structure has helped to drive revenue growth of 17% and a focus on the team is helping to improve the guest experience and colleague recruitment. This department has not yet met its potential and strategies are being developed to achieve this.

Resales of Owners' weeks fell in the year, but the previous year was a record and levels of stock available to sell are at their lowest since the original developer weeks were sold out. The average sale price of £4,753 is slightly down on the prior year but remains strong.

The number of weeks available for rent was up on the prior year by 9.6%, but the number of weeks rented out was down by 3.6% and the average rental price fell to £1,401 from £1,438. It is suggested that the frustrated demand for overseas holidays, in the previous two years has had an impact. Nevertheless, the sales conversion remains strong.

Throughout these difficult times, we have managed to maintain free access to the leisure club for owners, to offer full Owners Privilege Card discounts and continued to accept a reduced Management Company Fee from the Langdale Owners Club, all to the benefit of in excess of £600,000 to all Timeshare Owners.

On reflection, it was a good year for the business amid difficult trading conditions with 9.3% growth in revenue being achieved. Unfortunately, the impact of inflation in the year has eaten severely into the profit margins that have been enjoyed in the past, although a positive result has still been achieved.

People

As previously mentioned the key to building post-pandemic and ongoing success will be finding and retaining the right people.

The HR & Training Department has grown in stature and has become increasingly pivotal in our ongoing success, touching every aspect of the business, introducing creative recruitment and retention strategies, supporting team development and the delivery of our business goals, whilst integrating with the excellent work of the operations, finance and estates teams. Investing in our people resources remains a key focus of the Board.

Given the number of employees at Langdale, we do not meet the minimum threshold for compulsory reporting under the legislation. The labour market has largely dictated pay levels over the past year, with payroll in all business sectors under pressure. Although there is evidence to suggest the situation on recruitment is easing. Front-line team members are all paid above the Living Wage, with supervisor and manager salaries above average for the industry, as are senior managers' remuneration packages. However, it is on terms and conditions, benefits and training and development that Langdale is one of the very best employers in the hospitality industry.

As an equal opportunity employer, Langdale is committed to promoting a fair and inclusive workplace where individuals are evaluated and compensated based on their skills, qualifications, and contributions, irrespective of their gender. We firmly believe in providing equal pay for equal work and ensuring that all employees, regardless of gender or background, are treated with respect, dignity, and fairness.

LANGDALE LEISURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

People (continued)

We have previously carried out a comprehensive gender pay review to ensure that we are delivering to our commitment. The results were as we expected and demonstrated that Langdale lives up to its values and treats people fairly. The collation and analysis of the report does however require significant resources and as a smaller organization, we have prioritised delivering the commitment to be an equal opportunity employer rather than diverting resources to preparing a regular annual report.

We keep this decision under review and continue to promote diversity and inclusion throughout our recruitment and promotion processes and foster an inclusive culture that values and respects different perspectives and experiences. We provide ongoing training and development opportunities to all employees, creating a supportive environment that encourages career growth and advancement.

Governance

The board continues its work to develop and strengthen board governance (board responsibilities and organisation)

Whilst work has been undertaken to align thinking amongst all the stakeholders as to the Purpose, Vision and Values of Langdale, it emphasises the continuous journey we are all on together, to reinforce those values and live by them. We will continue to develop our communications strategies with all the stakeholders, to build stronger collaborative relationships. The great success of the 2022 LOC Lodge Owner event in Altrincham resulted in the Board of LOP attending this year to support the collaborative nature of these relationships.

As the Vision is realised it can be seen in a more tangible form as we press on with sustainable solutions to the long-term challenges we face. We are pushing forward to develop new employee accommodation facilities subject to final planning and funding, to support our desire to attract and retain the very best employees. In addition, in support of our net zero goals, a great deal of work has been undertaken to understand and develop our energy independence, particularly with regard to solar energy, most notably Heading Mill (Maintenance building) and the trial work at Lodge 4.

The Leisure Club roof replacement project will also see a significant benefit from a large solar PV array. Works on this are now being scheduled for the year 2024/25, unfortunately, there will be considerable disruption, largely due to the failing roof replacement, but the longer-term benefits to energy independence will be significant.

As previously mentioned, the post-pandemic era and Ukrainian War continue to have an impact on profitability, and this has been a key area of focus for your board and the executive team. The challenges have been exacerbated by inflationary pressures, not just on the much-publicised cost of utilities and food inflation, but also in balancing “guest expectations” with “value for money” for all those visiting Langdale. That balance has to be managed with great care and we continue to explore better ways of delivering value to Lodge Owners and Hotel Guests through our experienced and creative team, challenging existing processes and exploring developing technologies that can make a difference to that delivery.

An example of such innovative processes and technology has been the introduction this year of a new cloud-based training platform that will touch all employees including the Directors. This system improves our record keeping and provides a huge array of auditable training delivery, supporting Health & Safety compliance, Induction, and many other important guest-facing training opportunities. Other new technologies and process changes have improved our response time to emergencies on the estate, processes that improve proactive maintenance across the estate, but also tools to track Lodge and Hotel Guest satisfaction more effectively. None of this would be possible without the passion and commitment of the Senior Leadership Team and our much-valued Heads of Department.

LANGDALE LEISURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Governance (continued)

The board continue to monitor operating controls through an internal audit process which provides insight into further financial control opportunities and action planning for the leadership team, this is coupled with work to preserve and ring-fence cash management to support future investment e.g. leisure roof, staff accommodation, solar power. Also, the Remuneration Committee was reformed to audit leadership pay and bonus levels supported by relevant benchmarking.

Work has continued, revising and refreshing many of the existing operating policies that support the business. Many reflect the "Values" of Langdale, to protect the business, for instance, our approach to Social Media and others that reinforce our values around our teams, such as Anti Bullying & Harassment, Equality, Diversity and Inclusion, and others that are designed to improve performance such as managing employee absence and performance management and accountability generally. Much has to be underpinned day to day by the Senior Leadership Team and the Heads of Departments who are integral to our ongoing success and delivery.

Health & Safety continues to feature heavily, with a plethora of activity being undertaken to reinforce compliance, not only in training and the management of risk but also through "Third- Party" auditing to support compliance. Significant changes have been made to how the team respond to emergencies, improving response times and protecting all our guests and employees. The Heads of Departments play a significant role in managing risk in their respective departments and we continue to invest in their skills and knowledge to support the delivery of safe operating environments.

You will recall last year we took the opportunity to refresh and update the Articles of Association to reflect a company operating in the 2020s. Amongst tidying up the wording, they introduced the share surrender scheme, which has made a positive difference to a great many owners and their families. The feedback has been excellent.

Succession

The Board succession plan continues to be rolled out, this year will see the stepping down of Founder Director and past Chairman, Dale Watler, at the AGM in November. Dale was a cornerstone of the buyout and forming of our company. We owe him a great debt of gratitude for his service and dedication to keeping the business on track all these years, and to making Langdale so very special for us all to enjoy.

We have continued our approach to seek out the very best people to replace those stepping down, introducing complementary skills, knowledge and experience, providing appropriate insight and challenge for the Senior Leadership Team. This year will see the introduction of Richard Smith to the Board. Richard is a non-shareholding owner and joins us with a wealth of experience in business and finance, a skill set which will replace the specialist knowledge lost by Dale's departure. This appointment will be the fourth new non-executive director appointment in as many years. The enthusiasm, energy and passion these new appointments are bringing to the business continue to be balanced by the experience and knowledge of the longer-serving directors, Ian Hamilton and myself.

AGM

This year there will once again be a hybrid AGM, with the opportunity to attend and participate either in person or virtually. Although, much of the business update messages, traditionally shared at the AGM, will also be communicated at the meeting in August.

LANGDALE LEISURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Future

There is reason for continued optimism, as the business continues to recover.

In the first quarter of the new financial year, there has been a high demand for accommodation and sales have been very strong in all areas of the business, as a result, profits are tracking well ahead of expectations.

Although much can happen in the remaining nine months of the year, if demand remains strong and with an improving recruitment situation and declining energy costs, it is possible profits could return closer to pre-pandemic levels and I am hopeful this would lead to the reinstatement of shareholders discount on management fees.

Finally, as ever we owe a great deal of thanks to Michael Coletta and his team, for all of their efforts during these difficult trading times. Of course, our thanks also go to you, our shareholders and all of our owners for your patience and support over the last year.

On behalf of the board

Mr J Longmuir
Director

18 August 2023

LANGDALE 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 continues to be the operation and management of the Langdale resort, which includes a hotel and timeshare development.

A detailed review of the business is included in the financial statements of the parent company, Langdale Owners Plc, a copy of which can be obtained from Companies House.

Results and dividends

The results for the year are set out on page 13.

The directors have not recommended a dividend.

Directors

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

Mr J Longmuir
Mr M Coletta
Ms S Spencer

Financial instruments

The company holds or issues financial instruments in order to achieve three main objectives, being:

- to finance its operations;
- to manage its exposure to interest and currency risks arising from its operations and from its sources of finance and;
- for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Auditor

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

LANGDALE LEISURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

On behalf of the board

Mr J Longmuir
Director

Mr M Coletta
Director

Ms S Spencer
Director

18 August 2023

LANGDALE LEISURE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2023

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 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.

LANGDALE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LANGDALE LEISURE LIMITED

Opinion

We have audited the financial statements of Langdale Leisure Limited (the 'company') for the year ended 30 April 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

LANGDALE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LANGDALE 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 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.

LANGDALE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LANGDALE LEISURE LIMITED

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- enquiring of management and those charged with governance about any known or suspect instances of non-compliance with laws and regulations and fraud;
- enquiring of management and those charged with governance of any actual and potential litigation and claims;
- reviewing the financial statement disclosures and testing of supporting documentation to assess compliance with the relevant laws and regulations. For Langdale Leisure Limited we consider these to be health and safety laws, compliance with food safety and licencing regulations, employment law and compliance with the Companies Act;
- assessing whether the judgements made in making accounting estimates are indicative of any potential bias;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- reviewing board minutes and resolutions; and
- auditing the risk of fraud in revenue, including through reconciling a proof in total of accommodation sales to revenue recognised in the accounts, the testing of the cut off of income at the year end and sales transaction testing to ensure revenue is complete in the financial statements and recognised in the correct accounting period.

Because of the industry in which the company operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and safety, compliance with food safety and licencing regulations, employment law, and compliance with the Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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.

LANGDALE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LANGDALE LEISURE LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jenny McCabe
Senior Statutory Auditor
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Priory Close
St Marys Gate
Lancaster
LA1 1XB

29 August 2023

LANGDALE LEISURE LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 30 APRIL 2023**

	Notes	2023 £	2022 £
Turnover	3	10,208,660	9,343,204
Cost of sales		(6,850,118)	(5,849,270)
Gross profit		3,358,542	3,493,934
Administrative expenses		(3,354,755)	(3,061,494)
Other operating income		187,843	141,919
Operating profit	4	191,630	574,359
Interest receivable and similar income	7	34,377	328
Interest payable and similar expenses	8	(180,851)	(153,974)
Profit before taxation		45,156	420,713
Tax on profit	9	(27,558)	(319,819)
Profit for the financial year		17,598	100,894

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LANGDALE LEISURE LIMITED**BALANCE SHEET****AS AT 30 APRIL 2023**

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		10,007,532		10,307,088
Current assets					
Stocks	11	37,969		21,746	
Debtors	12	991,275		1,659,521	
Cash at bank and in hand		2,912,953		2,679,433	
		<u>3,942,197</u>		<u>4,360,700</u>	
Creditors: amounts falling due within one year	13	<u>(5,044,075)</u>		<u>(6,812,967)</u>	
Net current liabilities			<u>(1,101,878)</u>		<u>(2,452,267)</u>
Total assets less current liabilities			8,905,654		7,854,821
Creditors: amounts falling due after more than one year	14		(3,903,677)		(2,898,000)
Provisions for liabilities					
Deferred tax liability	16	901,443		873,885	
		<u>(901,443)</u>		<u>(873,885)</u>	
Net assets			<u>4,100,534</u>		<u>4,082,936</u>
Capital and reserves					
Called up share capital	18	3,685,000		3,685,000	
Profit and loss reserves		415,534		397,936	
Total equity			<u>4,100,534</u>		<u>4,082,936</u>

The financial statements were approved by the board of directors and authorised for issue on 18 August 2023 and are signed on its behalf by:

Mr J Longmuir
Director

Mr M Coletta
Director

Ms S Spencer
Director

Company Registration No. 02060782

LANGDALE LEISURE LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2023**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2021	3,685,000	297,042	3,982,042
Year ended 30 April 2022:			
Profit and total comprehensive income for the year	-	100,894	100,894
Balance at 30 April 2022	3,685,000	397,936	4,082,936
Year ended 30 April 2023:			
Profit and total comprehensive income for the year	-	17,598	17,598
Balance at 30 April 2023	3,685,000	415,534	4,100,534

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

Company information

Langdale Leisure Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Langdale Estate, Great Langdale, Ambleside, LA22 9JD.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

As a qualifying entity, the company has taken advantage of the reduced disclosure exemptions permitted under FRS 102 as follows:

- The requirements of Section 7 'Statement of Cash Flows' and Section 3 'Financial Statement Presentation' paragraph 3.17(d).
- The requirements of Section 11 'Basic Financial Instruments' paragraphs 11.29 to 11.28A and Section 12 'Other Financial Instrument Issues' paragraphs 12.26 to 12.29A.
- Section 33 'Related Party Disclosures'- Compensation for key management personnel.

Langdale Leisure Limited is a wholly owned subsidiary of Langdale Owners PLC and the results of Langdale Leisure Limited are included in the consolidated financial statements of Langdale Owners PLC which are available from Companies House, Cardiff.

1.2 Going concern

The directors consider the company to have a sufficient level of working capital to see it through the upcoming months and therefore remains wholly solvent at this time.

1.3 Turnover

Timeshare resales income relates to the commission receivable on any timeshares sold on behalf of the owners during the year. This is recognised when the invoice is raised.

Timeshare commission sales are the commissions receivable on sub-lets managed on behalf of the timeshare holders during the period. These are recognised when the week stay occurs.

Timeshare management fees are the annual fees paid by the timeshare owners for the costs incurred by the company for the upkeep of the timeshare units. These are recognised in the profit and loss account when the service is provided to the unit owner. Any amounts invoiced in advance of the customers stay are held in deferred income.

Income received from all other sources are recognised when the service is provided to the customer.

1.4 Tangible fixed assets

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

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

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	2-10% per annum
Plant and machinery	5-50% per annum
Fixtures & fittings	5-33% per annum
Motor vehicles	20% per annum

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

1.6 Stocks

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

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

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company 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 company's balance sheet 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 debtors 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.

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, 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 receipts 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.

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 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 profit and loss account. 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.

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement in respect of employees whom served during the year is fully accrued in the period.

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.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.13 Government grants

Government grants receivable represent income under the Coronavirus Job Retention Scheme (CJRS) to reimburse the company for costs incurred in retaining staff who we were furloughed due to the impact of closure due to COVID-19 and local council support grants. CJRS grants are recognised to match the costs incurred by the company for the period claims are made.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation

In determining the appropriate depreciation rates for the Company's assets, management reviews the operating policies of the business and makes judgements as to the applicable useful economic lives of the assets, considering residual values.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The residual value and estimated useful life of freehold property

At the acquisition date of the property, management made an assessment of the useful life of the property. They have used their knowledge of the business, geographical area and the property itself in reaching a decision of a useful life of 50 years.

Management have also assessed the estimated residual value of the property at the end of its 50 year useful life. Using the factors noted above they have reached an appropriate residual value which has been applied in the depreciation calculation.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
Turnover analysed by class of business		
Hotel Accommodation	3,691,066	3,345,810
Food and Beverages	2,988,133	2,643,823
Timeshare Management Fees	1,951,653	1,844,667
Spa and Leisure	853,608	721,467
Services	359,858	349,942
Rental Commissions	250,278	266,420
Resale Commissions	114,064	171,075
	<u>10,208,660</u>	<u>9,343,204</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	<u>10,208,660</u>	<u>9,343,204</u>
	2023 £	2022 £
Other revenue		
Interest income	34,377	328
Grants received	<u>155,833</u>	<u>104,669</u>

Grants received during the year, represent local council support grants, the comparative period includes some grant income under the Coronavirus Job Retention Scheme (CJRS) to reimburse the company for costs incurred in retaining staff who we were furloughed due to the impact of closure in response to COVID-19 and local council support grants.

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(155,833)	(104,669)
Fees payable to the company's auditor for the audit of the company's financial statements	11,200	9,750
Depreciation of owned tangible fixed assets	768,728	745,444
Profit on disposal of tangible fixed assets	-	(725)
	<u> </u>	<u> </u>

5 Employees

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

	2023	2022
	Number	Number
Part time	33	37
Full time	151	145
	<u> </u>	<u> </u>
Total	184	182
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	3,984,273	3,735,439
Social security costs	347,733	301,454
Pension costs	152,761	108,943
	<u> </u>	<u> </u>
	4,484,767	4,145,836
	<u> </u>	<u> </u>

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	180,156	142,137
Company pension contributions to defined contribution schemes	29,786	14,084
	<u> </u>	<u> </u>
	209,942	156,221
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	34,377	328
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	180,851	153,974
	<u> </u>	<u> </u>

9 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	-	41,412
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	27,558	45,074
Changes in tax rates	-	209,732
Other adjustments	-	23,601
	<u> </u>	<u> </u>
Total deferred tax	27,558	278,407
	<u> </u>	<u> </u>
Total tax charge	27,558	319,819
	<u> </u>	<u> </u>

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

	2023	2022
	£	£
Profit before taxation	45,156	420,713
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2022: 19.00%)	8,805	79,935
Tax effect of expenses that are not deductible in determining taxable profit	-	926
Tax effect of income not taxable in determining taxable profit	(10,186)	(19,520)
Adjustments in respect of prior years	-	23,601
Effect of change in corporation tax rate	6,063	209,732
Depreciation on assets not qualifying for tax allowances	22,876	25,145
	<u> </u>	<u> </u>
Taxation charge for the year	27,558	319,819
	<u> </u>	<u> </u>

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 May 2022	8,876,837	6,349,565	4,093,134	137,247	19,456,783
Additions	-	375,256	93,916	-	469,172
At 30 April 2023	8,876,837	6,724,821	4,187,050	137,247	19,925,955
Depreciation and impairment					
At 1 May 2022	2,161,063	3,591,124	3,304,734	92,774	9,149,695
Depreciation charged in the year	134,586	362,101	250,409	21,632	768,728
At 30 April 2023	2,295,649	3,953,225	3,555,143	114,406	9,918,423
Carrying amount					
At 30 April 2023	6,581,188	2,771,596	631,907	22,841	10,007,532
At 30 April 2022	6,715,774	2,758,441	788,400	44,473	10,307,088

Freehold land and buildings with a carrying amount of £6,581,188 (2022 - £6,715,774) have been pledged to secure borrowings of the company.

11 Stocks

	2023 £	2022 £
Raw materials and consumables	37,969	21,746

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	496,262	678,564
Other debtors	214,733	242,744
Prepayments and accrued income	280,280	738,213
	991,275	1,659,521

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	15	497,543	1,952,234
Trade creditors		590,600	779,901
Amounts owed to group undertakings		9,199	13,675
Corporation tax		-	41,412
Other taxation and social security		416,548	225,004
Other creditors		200,858	338,573
Accruals and deferred income		3,329,327	3,462,168
		<u>5,044,075</u>	<u>6,812,967</u>

14 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	15	<u>3,903,677</u>	<u>2,898,000</u>

15 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>4,401,220</u>	<u>4,850,234</u>
Payable within one year	497,543	1,952,234
Payable after one year	<u>3,903,677</u>	<u>2,898,000</u>

The bank borrowings are secured by a debenture and cross guarantee between Langdale Leisure Limited and Langdale Owners PLC. Two loans with Barclays Bank are repayable by quarterly instalments until they are due to be refinanced in March 2026 and September 2027. The interest rate is calculated at 2.96% and 5.68% respectively. The third loan with Barclays Bank is repayable in monthly instalments and is due to end in 3 years. Interest is being charged on this loan at a variable rate.

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	947,643	952,689
Tax losses	(43,498)	(73,686)
Short term timing differences	(2,702)	(5,118)
	<u>901,443</u>	<u>873,885</u>
		2023 £
Movements in the year:		
Liability at 1 May 2022		873,885
Charge to profit or loss		27,558
		<u>901,443</u>
Liability at 30 April 2023		<u>901,443</u>

As at the signing date of these financial statements, the company has not finalised its capital expenditure programme for the forthcoming year and therefore an assessment as to the likely movement of other relating timing differences cannot be made.

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	152,761	108,943
	<u>152,761</u>	<u>108,943</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	3,685,000	3,685,000	3,685,000	3,685,000
	<u>3,685,000</u>	<u>3,685,000</u>	<u>3,685,000</u>	<u>3,685,000</u>

LANGDALE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

19 Related party transactions

The company has taken advantage of the exemption permitted under Section 33 'Related Party Disclosures' paragraph 33.1A from disclosing transactions with its parent company.

20 Ultimate controlling party

At 30 April 2023, the company's ultimate parent company was Langdale Owners Plc which is a parent of both the smallest and largest groups of which the company is a member. Copies of the consolidated financial statements of Langdale Owners Plc are available from Companies House.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.