

Duncan Bannatyne hails health club chain's recovery from pandemic

North East health club and hotel operator Bannatyne Group has seen turnover and profits rise in what it describes as a recovery from the pandemic downturn in its key sectors.

The Darlington-based firm owned and run by former Dragon's Den star Duncan Bannatyne has published accounts for 2023 in which its turnover rises from £127m to £138.9m, while operating profit almost doubled to £22.3m. The company highlighted the introduction of new classes and significant investment in equipment, including a £1.78m contract for indoor bikes. It said that it had also focussed on growing membership and paying down Covid era debt, with all pandemic-related loans repaid earlier this year.

Bannatynes and other companies in its sector had suffered from prolonged closures during the pandemic, taking on what it described as "additional borrowing". In the accounts, the company outlines how it increased its number of health clubs by one to 69, with a new site in Broadstairs, Kent. But it reduced its number of hotels to three with the sale of a property that provided net disposal income of £2.9m that was used to pay off outstanding debt.

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The company's headcount fell slightly to stand at 2,752 during the year.

Mr Bannatyne, chairman and chief executive of the group, said: "These results demonstrate what can be achieved when a

business focuses on core activities and delivers what customers want at the right price. We have introduced new classes, such as our own Pulse offering, the equipment has been refreshed with fewer cardio machines and more body toning devices, and our price increases have been modest, protecting members from the worst elements of inflation.

“The turnaround has only been possible because of the hard work of our staff. They have helped increase membership as we use app-based technology to offer people new experiences in our health clubs.

“Realising numerous marginal gains and focussing on customer experience is a well-trodden path to business success and I am pleased it has worked after the shock of the pandemic and the recent economic turbulence. Like many of our members, our business is in great shape and committed to staying fit for the future.”

Mr Bannatyne, who grew up in Glasgow, founded the company in 1997 after selling previous firms that operated in the care home and nursery markets. He came to wider prominence after appearing on the first 12 series of the BBC business pitching series Dragons’ Den, as well as writing a number of business-related books and making other TV appearances.