

Registered number: 118558

CASTLE LEISURE LIMITED

ANNUAL REPORT

FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

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CASTLE LEISURE LIMITED

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CASTLE LEISURE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

The directors present their report and the financial statements for the 53 weeks ended 30 December 2012

Principal activities

The Company's principal activity for the period was the operation of bingo clubs and the provision of electronic entertainment and catering services within them. The Directors do not anticipate any likely changes in the company's activities in the current year.

Business review

Profit attainment was satisfactory during the period. The Company is strongly cash generative with minimal exposure to risk in relation to debtors. Cash flow is monitored daily as part of control procedures.

Key performance indicators, such as admissions and spends per head, are monitored and interpreted by management on a daily basis.

Trading conditions across the industry remain challenging. Our market position has further improved in the period under review.

We continue to reinvest into our trading operations and implement new innovations to drive long term growth.

The Directors anticipate challenging trading conditions in the current year given continued economic uncertainty and inflationary pressures.

In the medium term industry rationalization and concentration will lead to opportunities for further market share gains in our regional market and beyond.

Results and dividends

The profit for the 53 weeks, after taxation, amounted to £4,272,568 (2011 - £4,815,435).

The Directors propose a final dividend of 280p per share.

Directors

The directors who were serving at the end of the period and their interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	30/12/12	26/12/11
David S Andrews	10,381	10,521
Mark H Andrews	5,387	5,929
Wayne J Davies	1,670	1,000
F Keith Edwards	10,812	11,037
Jeffrey C Harris	24,400	24,400
Lisa M Morgan (appointed 1 August 2012)	1,000	-
Philip J T Yapp	5,907	5,907

Diane E Brierley retired from the Board on 30 September 2012.

Lisa M Morgan offers herself for appointment as Company Director.

The Directors retiring by rotation are Jeffrey C Harris and F Keith Edwards who, being eligible, offer themselves for reappointment.

CASTLE LEISURE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

Charitable contributions

During the period the Company made charitable donations of £18,300. Additionally the company facilitates through its clubs substantial local charitable and civic fund raising. Total fund raising activities during the period generated over £33,000.

Corporate social responsibility

The Company is fully committed to ensuring that the licensing objectives, as defined by the Licensing Act 2003 and Gambling Act 2005, are strictly adhered to and complied with.

The Company's risk assessment process takes account of social, environmental and ethical matters relevant to the operation of the Company. The Board seeks both to identify and assess any short or long term risks and to identify opportunities to enhance value.

The Company maintains a strong emphasis on Social Responsibility in all aspects of its operation. The Company has been recognised for its support and contribution by the Responsible Gambling Trust in this area.

The company undertakes a series of projects through Business in the Community, benefiting local communities.

Financial instruments

The Company's principal financial instruments comprise a bank loan, overdraft and cash. The main purpose of these instruments is to finance the Company's capital expenditure programmes and working capital requirements.

No trading in financial instruments are undertaken. The Company's borrowings are in pounds sterling and at the year end were subject to floating rates of interest.

Human Resources

The Company values the contribution that its employees make to the success of the business. Substantial investment is made in training, development and motivating staff. Particular focus is made on ensuring customer satisfaction through consistent attainment of high standards of care and service. The involvement of employees in the success of the business is encouraged through company wide communication and consultation. Employees have opportunities to develop through a range of internal and external training programmes and nationally recognised qualifications. The Company has been accredited as an Investors in People Gold Company. The involvement of employees in the local community is encouraged through our Business in the Community programme.

The Company believes it benefits substantially from having a diverse workforce and endorses the active application of equal opportunities policies and programmes to provide fair and equitable conditions for all employees regardless of sex, sexual orientation, family status, religion, creed, colour, ethnic origin, age or disability.

Supplier payment policy

The Company policy is to strive for excellent working relationships with our suppliers, this encourages mutual business development over the long term. We make payment, usually directly into the supplier's bank account, before the end of the month following invoicing, subject to satisfactory performance of the supplier.

CASTLE LEISURE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

Health and safety

The Company is committed to providing a safe place to work and visit. The Board reviews monthly reports on health and safety matters.

The Company has a systematic and rigorous approach to all health and safety matters. Each club and Head Office undertakes regular formal Health and Safety meetings.

In 2012, Bootle and Barnes Hill clubs were awarded the maximum 5 Star awards from the British Safety Council. Merthyr club received the Sword of Honour award from the British Safety Council.

Environment

The Company takes a long term view of its activities and responsibilities in reducing its environmental impact. Our environmental policy encourages respect for the environment.

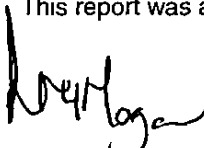
The Company adopts an environmentally responsible attitude in the attainment of our business objectives. Priority is given to energy and water conservation, to recycling waste materials where economically practical and to raising staff and customer awareness of the issues.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board on 21 February 2013 and signed on its behalf



Lisa M Morgan
Director

CASTLE LEISURE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

CASTLE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLE LEISURE LIMITED

We have audited the financial statements of Castle Leisure Limited for the period ended 30 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 December 2012 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CASTLE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLE LEISURE LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PKF(CU) LLP

Timothy Smith (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Cardiff, UK
21 February 2013

CASTLE LEISURE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE 53 WEEKS ENDED 30 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1	29,044,863	26,828,778
Cost of sales		<u>(4,107,165)</u>	<u>(3,656,512)</u>
GROSS PROFIT		24,937,698	23,172,266
Administrative expenses		<u>(23,704,968)</u>	<u>(23,818,939)</u>
Other operating income		<u>4,620,233</u>	<u>7,363,892</u>
OPERATING PROFIT	2	5,852,963	6,717,219
Interest payable and similar charges	5	<u>(151,918)</u>	<u>(216,198)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,701,045	6,501,021
Tax on profit on ordinary activities	7	<u>(1,428,477)</u>	<u>(1,685,586)</u>
PROFIT FOR THE FINANCIAL PERIOD	15	<u>4,272,568</u>	<u>4,815,435</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 10 to 19 form part of these financial statements

CASTLE LEISURE LIMITED
REGISTERED NUMBER: 118558

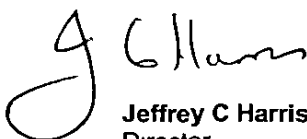
BALANCE SHEET
AS AT 30 DECEMBER 2012

		30 December 2012	25 December 2011
	Note	£	£
FIXED ASSETS			
Tangible assets	8	48,780,983	48,591,130
CURRENT ASSETS			
Stocks	9	311,904	266,480
Debtors	10	415,588	542,197
Cash at bank and in hand		1,267,938	1,099,780
		<u>1,995,430</u>	<u>1,908,457</u>
CREDITORS , amounts falling due within one year	11	<u>(8,730,917)</u>	<u>(7,666,108)</u>
NET CURRENT LIABILITIES		<u>(6,735,487)</u>	<u>(5,757,651)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,045,496</u>	<u>42,833,479</u>
CREDITORS : amounts falling due after more than one year	12	(3,625,653)	(7,170,771)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	(373,000)	(644,000)
NET ASSETS		<u><u>38,046,843</u></u>	<u><u>35,018,708</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	244,985	243,570
Share premium account	15	201,444	202,334
Revaluation reserve	15	1,062,351	1,062,351
Capital redemption reserve	15	23,495	23,130
Profit and loss account	15	36,514,568	33,487,323
SHAREHOLDERS' FUNDS	16	<u><u>38,046,843</u></u>	<u><u>35,018,708</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 February 2013



David S Andrews
Director



Jeffrey C Harris
Director

The notes on pages 10 to 19 form part of these financial statements

CASTLE LEISURE LIMITED

CASH FLOW STATEMENT FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	18	9,256,500	13,137,808
Returns on investments and servicing of finance	19	(151,918)	(216,198)
Taxation	19	(1,400,000)	(1,132,081)
Capital expenditure and financial investment	19	(3,171,284)	(15,127,900)
Equity dividends paid		(1,244,958)	(1,071,708)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		3,288,340	(4,410,079)
Financing	19	(3,544,593)	4,374,342
DECREASE IN CASH IN THE 53 WEEKS		(256,253)	(35,737)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

	2012 £	2011 £
Decrease in cash in the 53 weeks	(256,253)	(35,737)
Cash outflow from decrease in debt and lease financing	3,545,118	(4,402,342)
MOVEMENT IN NET DEBT IN THE 53 WEEKS	3,288,865	(4,438,079)
Net debt at 26 December 2011	(8,349,008)	(3,910,929)
NET DEBT AT 30 DECEMBER 2012	(5,060,143)	(8,349,008)

The notes on pages 10 to 19 form part of these financial statements

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold properties and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised from participation fees, gaming machine takings and the sale of food and drink received during the year net of gross profits tax and value added tax

1.3 Tangible fixed assets and depreciation

Freehold properties are stated at 1991 open market for existing use valuation with subsequent additions at cost. No depreciation is provided on freehold buildings as it is the company's policy to maintain them to a high standard and accordingly it is the directors' opinion that the residual values of these assets, based on prices prevailing at the time of acquisition or subsequent valuation, are such that both their accumulated depreciation and depreciation charge for the period is immaterial. The cost of repairs and maintenance of the buildings is charged to profit and loss account as incurred. Impairment reviews are carried out to ensure freehold buildings are not carried at above their recoverable amounts. Any impairment write downs are charged to the profit and loss account.

Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off their cost less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	- 10-33% straight line
Motor vehicles	- 25% straight line

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the 53 weeks.

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	3,003,889	2,410,636
VAT rebates of trading income	(4,328,982)	(6,892,310)
Impairment of goodwill	-	1,425,000
Exceptional professional fees	123,146	400,412
	<u>123,146</u>	<u>400,412</u>

3 DIRECTORS' REMUNERATION

	2012 £	2011 £
Directors' emoluments	1,533,188	1,555,218
	<u>1,533,188</u>	<u>1,555,218</u>
Pension contributions	620,786	374,806
	<u>620,786</u>	<u>374,806</u>

During the 53 weeks retirement benefits were accruing to 5 directors (2011 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £1,132,661 (2011 - £1,118,903)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £556,656 (2011 - £300,109)

The gross equivalent of own pension contributions made by the highest paid director was £75,866 (2011- £83,483)

A total of £50,893 (2011 - £52,264) was paid as pension and benefits to former directors

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

4. STAFF COSTS

Staff costs, including directors' emoluments, were as follows

	2012 £	2011 £
Wages and salaries	10,661,398	9,674,097
Social security costs	720,625	633,831
Other pension costs	877,090	695,992
	<u>12,259,113</u>	<u>11,003,920</u>

The average monthly number of employees, including the executive directors, during the 53 weeks was as follows

	2012 No.	2011 No.
Bingo clubs	672	670
Administration	28	28
	<u>700</u>	<u>698</u>

5 INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdraft	<u>151,918</u>	<u>216,198</u>

6. AUDITORS' REMUNERATION

	2012 £	2011 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	21,528	18,568
Fees payable to the company's auditor and its associates in respect of		
All other services	<u>4,450</u>	<u>13,054</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

7. TAXATION

	2012 £	2011 £
Analysis of tax charge in the 53 weeks/52 weeks		
Current tax (see note below)		
UK corporation tax charge on profit for the 53 weeks/52 weeks	1,717,000	1,875,000
Adjustments in respect of prior periods	(17,523)	(37,414)
Total current tax	<u>1,699,477</u>	<u>1,837,586</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(271,000)	(152,000)
Tax on profit on ordinary activities	<u>1,428,477</u>	<u>1,685,586</u>

Factors affecting tax charge for the 53 weeks/52 weeks

The tax assessed for the 53 weeks/52 weeks is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>5,701,045</u>	<u>6,501,021</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	1,396,756	1,722,771
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,521	91,559
Capital allowances for 53 weeks/52 weeks in excess of depreciation	318,723	60,670
Adjustments to tax charge in respect of prior periods	(17,523)	(37,414)
Current tax charge for the 53 weeks/52 weeks (see note above)	<u>1,699,477</u>	<u>1,837,586</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, equipment and vehicles £	Total £
Cost or valuation			
At 26 December 2011	40,082,531	23,169,108	63,251,639
Additions	-	3,265,493	3,265,493
Disposals	-	(527,121)	(527,121)
At 30 December 2012	40,082,531	25,907,480	65,990,011
Depreciation			
At 26 December 2011	-	14,660,509	14,660,509
Charge for the 53 weeks	-	3,003,889	3,003,889
On disposals	-	(455,370)	(455,370)
At 30 December 2012	-	17,209,028	17,209,028
Net book value			
At 30 December 2012	40,082,531	8,698,452	48,780,983
At 25 December 2011	40,082,531	8,508,599	48,591,130

On the historical cost basis, land and buildings would have been included at £39,020,180 (2011-£39,020,180)

9. STOCKS

	30 December 2012 £	25 December 2011 £
Goods for resale	311,904	266,480

10. DEBTORS

	30 December 2012 £	25 December 2011 £
Prepaid pension contributions	-	56,816
Prepayments and accrued income	415,588	485,381
	415,588	542,197

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

11 CREDITORS.

Amounts falling due within one year

	30 December 2012 £	25 December 2011 £
Bank loans and overdraft	2,702,428	2,278,017
Trade creditors	1,490,354	1,465,347
Corporation tax	1,774,477	1,475,000
Social security and other taxes	861,027	519,511
Accruals and deferred income	1,902,631	1,928,233
	<u>8,730,917</u>	<u>7,666,108</u>

The bank loans and overdraft are secured by a first charge on certain freehold property of the company and bear interest at 1% and 1.75% above the bank's base rate

12 CREDITORS.

Amounts falling due after more than one year

	30 December 2012 £	25 December 2011 £
Bank loans	<u>3,625,653</u>	<u>7,170,771</u>

Included within the above are amounts falling due as follows

	30 December 2012 £	25 December 2011 £
Between one and two years		
Bank loans	<u>1,453,428</u>	<u>1,453,428</u>
Between two and five years		
Bank loans	<u>2,172,225</u>	<u>5,717,343</u>

13. DEFERRED TAXATION

	30 December 2012 £	25 December 2011 £
At beginning of 53 weeks/52 weeks	644,000	796,000
Released during 53 weeks/52 weeks	(271,000)	(152,000)
At end of 53 weeks/52 weeks	<u>373,000</u>	<u>644,000</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

13. DEFERRED TAXATION (continued)

The Deferred taxation is made up as follows

	30 December 2012 £	25 December 2011 £
Accelerated capital allowances	<u>373,000</u>	<u>644,000</u>

14. SHARE CAPITAL

	30 December 2012 £	25 December 2011 £
Allotted, called up and fully paid		
244,985 (2011 - 243,570) Ordinary shares of £1 each	<u>244,985</u>	<u>243,570</u>

During the period the company issued 1,780 ordinary shares of £1 each for £49,800 cash, including 500 ordinary shares of £1 each to Wayne J Davies and 620 ordinary shares of £1 each to Lisa M Morgan, both directors of the company

During the period the company purchased 365 ordinary shares of £1 shares for £49,275

15. RESERVES

	Share premium account £	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 26 December 2011	202,334	23,130	1,062,351	33,487,323
Profit retained				4,272,568
Dividends				(1,244,958)
Equity capital				(365)
Purchase of own shares				
Premium on shares issued during the 53 weeks	48,020			
Utilised on purchase of shares	(48,910)			
Transfer on purchase of own shares		365		
At 30 December 2012	<u>201,444</u>	<u>23,495</u>	<u>1,062,351</u>	<u>36,514,568</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	30 December 2012 £	25 December 2011 £
Opening shareholders' funds	35,018,708	31,302,981
Profit for the 53 weeks/52 weeks	4,272,568	4,815,435
Dividends (Note 17)	(1,244,958)	(1,071,708)
Shares issued during the period	49,800	-
Shares redeemed/cancelled during the period	(48,385)	(224)
Share premium utilised on redemption of shares	(890)	(27,776)
Closing shareholders' funds	<u>38,046,843</u>	<u>35,018,708</u>

17 DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	<u>1,244,958</u>	<u>1,071,708</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	5,852,963	6,717,219
Depreciation of tangible fixed assets	3,003,889	2,410,636
Impairments of fixed assets	-	1,425,000
Profit on disposal of tangible fixed assets	(22,458)	(15,575)
Increase in stocks	(45,424)	(3,017)
Decrease in debtors	126,609	760,973
Increase in creditors	340,921	1,842,572
Net cash inflow from operating activities	<u>9,256,500</u>	<u>13,137,808</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	<u>(151,918)</u>	<u>(216,198)</u>
Taxation		
Corporation tax	<u>(1,400,000)</u>	<u>(1,132,081)</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 30 DECEMBER 2012

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(800,000)
Purchase of tangible fixed assets	(3,265,493)	(14,367,925)
Sale of tangible fixed assets	94,209	40,025
Net cash outflow from capital expenditure	(3,171,284)	(15,127,900)
	2012 £	2011 £
Financing		
Issue of ordinary shares	49,800	-
Purchase of ordinary shares	(49,275)	(28,000)
New secured loans	-	12,500,000
Repayment of loans	(3,545,118)	(8,097,658)
Net cash (outflow)/inflow from financing	(3,544,593)	4,374,342

20. ANALYSIS OF CHANGES IN NET DEBT

	26 December 2011 £	Cash flow £	Other non-cash changes £	30 December 2012 £
Cash at bank and in hand	1,099,780	168,158	-	1,267,938
Bank overdraft	(824,589)	(424,411)	-	(1,249,000)
	275,191	(256,253)	-	18,938
Debts due within one year	(1,453,428)	1,453,428	-	(1,453,428)
Debts falling due after more than one year	(7,170,771)	2,091,690	-	(3,625,653)
Net debt	(8,349,008)	3,288,865	-	(5,060,143)

21. CAPITAL COMMITMENTS

At 30 December 2012 the company had capital commitments as follows

	30 December 2012 £	25 December 2011 £
Contracted for but not provided in these financial statements	1,300,000	1,000,000

CASTLE LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 30 DECEMBER 2012**

22 PENSION COMMITMENTS

The company had unfunded pension commitments to one of its executive directors and two former non executive directors