

CASTLE LEISURE LIMITED

ANNUAL REPORT

FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

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CASTLE LEISURE LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Statement of directors' responsibilities	4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 - 18

CASTLE LEISURE LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

The directors present their report and the financial statements for the 52 weeks ended 28 December 2008.

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 by management on a daily basis.

As identified last year the combination of adverse legislation and regulatory change, has resulted in lower sales. Our regional market position has nevertheless further improved in the period under review.

The Directors anticipate a difficult trading environment for the current year given the deterioration in the economic outlook.

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

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £2,180,760 (2007 - £2,451,041).

The Directors propose a final dividend of 170p per share.

Directors

The directors who served during the period and their interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	28/12/08	31/12/07
David S Andrews	6,329	6,329
Mark H Andrews	5,387	5,337
Diane E Brierley	1,800	1,800
Wayne J Davies	1,000	500
F Keith Edwards	10,937	11,587
Jeffrey C Harris	24,400	24,400
Philip J T Yapp	6,287	6,287

The Directors retiring by rotation are David S Andrews and Philip Y T Yapp who, being eligible, offer themselves for reappointment.

CASTLE LEISURE LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

Charitable contributions

During the period the company made charitable donations of £13,950. Additionally the company facilitates through its clubs substantial local charitable and civic fund raising. Total fund raising activities during the period generated over £38,000.

Corporate social responsibility

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.

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 is 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. The company recently attained it's fourth Investors in People reaccreditation due to it's success in these areas. The involvement of employees in the local community is encouraged through our Business in the Community scheme.

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, 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 accounts, before the end of the month following invoicing, subject to satisfactory performance of the supplier.

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 meetings. The British Safety Council has awarded and re-accredited full Five Star Awards to all of our clubs.

CASTLE LEISURE LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

Environment

The company is committed to taking positive action on climate change and has developed an Environmental Policy which encourages respect for the environment.

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

Provision of information to auditors

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 auditors are unaware, and
- each 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, PKF (UK) LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 23 February 2009 and signed on its behalf.



Wayne J Davies
Director

CASTLE LEISURE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE 52 WEEKS ENDED 28 DECEMBER 2007

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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit 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 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 proper accounting records that 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 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF CASTLE LEISURE LIMITED

We have audited the financial statements of Castle Leisure Limited for the 52 weeks ended 28 December 2008 which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CASTLE LEISURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE LEISURE LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 December 2008 and of its profit for the 52 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PKF(UK)LLP

PKF (UK) LLP

Registered auditors

Cardiff, UK

23 February 2009

CASTLE LEISURE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 28 DECEMBER 2008**

	Note	2008 £	2007 £
TURNOVER	1	21,494,348	23,017,167
Cost of sales		<u>(3,014,360)</u>	<u>(3,191,779)</u>
GROSS PROFIT		18,479,988	19,825,388
Administrative expenses		<u>(15,780,714)</u>	<u>(16,589,520)</u>
Other operating income		<u>633,947</u>	<u>610,917</u>
OPERATING PROFIT	2	3,333,221	3,846,785
Interest receivable		7,606	22,647
Interest payable	5	<u>(290,767)</u>	<u>(368,391)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,050,060	3,501,041
Tax on profit on ordinary activities	7	<u>(869,300)</u>	<u>(1,050,000)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u>2,180,760</u>	<u>2,451,041</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and Loss account.

The notes on pages 10 to 18 form part of these financial statements.

CASTLE LEISURE LIMITED

BALANCE SHEET AS AT 28 DECEMBER 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	8		33,463,438		34,321,006
CURRENT ASSETS					
Stocks	9	177,037		160,832	
Debtors	10	421,695		416,845	
Cash at bank		567,263		681,647	
			<u>1,165,995</u>	<u>1,259,324</u>	
CREDITORS: amounts falling due within one year	11	<u>(3,463,755)</u>		<u>(3,756,800)</u>	
NET CURRENT LIABILITIES			<u>(2,297,760)</u>	<u>(2,497,476)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,165,678</u>	<u>31,823,530</u>	
CREDITORS: amounts falling due after more than one year	12		<u>(3,736,472)</u>	<u>(5,046,083)</u>	
PROVISIONS FOR LIABILITIES					
Deferred tax	13		<u>(1,151,000)</u>	<u>(1,257,000)</u>	
DEFERRED INCOME	14		<u>-</u>	<u>(330,000)</u>	
NET ASSETS			<u><u>26,278,206</u></u>	<u><u>25,190,447</u></u>	
CAPITAL AND RESERVES					
Called up share capital	15		243,634		243,886
Share premium account	16		216,170		169,050
Revaluation reserve	16		1,062,351		1,062,351
Capital redemption reserve	16		19,526		16,564
Profit and loss account	16		<u>24,736,525</u>		<u>23,698,596</u>
SHAREHOLDERS' FUNDS	17		<u><u>26,278,206</u></u>	<u><u>25,190,447</u></u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2009.



David S Andrews
Director

Jeffrey C Harris
Director



The notes on pages 10 to 18 form part of these financial statements.

REGISTERED NUMBER 118558

CASTLE LEISURE LIMITED

**CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 28 DECEMBER 2008**

	Note	2008 £	2007 £
Net cash flow from operating activities	19	4,991,154	5,796,452
Returns on investments and servicing of finance	20	(283,161)	(345,744)
Taxation		(979,000)	(1,144,507)
Capital expenditure and financial investment	20	(1,229,831)	(3,607,857)
Equity dividends paid		(842,116)	(817,018)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,657,046	(118,674)
Financing	20	(1,375,240)	(800,441)
INCREASE/(DECREASE) IN CASH IN THE 52 WEEKS		281,806	(919,115)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE 52 WEEKS ENDED 28 DECEMBER 2008**

	2008 £	2007 £
Increase/(Decrease) in cash in the 52 weeks	281,806	(919,115)
Cash outflow from decrease in debt and lease financing	1,124,354	796,941
MOVEMENT IN NET DEBT IN THE 52 WEEKS	1,406,160	(122,174)
Net debt at 29 December 2007	(5,289,269)	(5,167,095)
NET DEBT AT 28 DECEMBER 2008	(3,883,109)	(5,289,269)

The notes on pages 10 to 18 form part of these financial statements.

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

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 bingo duty, 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 their depreciation 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 the cost of

Plant, fixtures, fittings and equipment	-	10-33% straight line
Motor vehicles	-	25% straight line

1.4 Stocks

Stocks are stated 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 52 weeks.

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	2,092,005	2,022,176
Release of government grants	(330,000)	(9,000)
	<u>2,092,005</u>	<u>2,022,176</u>

3. DIRECTORS' REMUNERATION

	2008 £	2007 £
Directors' emoluments	<u>910,630</u>	<u>923,305</u>
Pension contributions	<u>214,363</u>	<u>254,616</u>

During the 52 weeks retirement benefits were accruing to 4 directors (2007 - 4) in respect of money purchase pension schemes.

The highest paid director received remuneration of £588,452 (2007 - £606,022).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £157,917 (2007 - £213,950).

The gross equivalent of own pension contributions made by the highest paid director was £57,862 (2007 - £61,007).

A total of £64,046 (2007 - £59,458) was paid as pension and benefits to former directors.

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

4. STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2008 £	2007 £
Wages and salaries	7,655,898	7,959,108
Social security costs	528,122	596,391
Other pension costs	472,122	513,830
	<u>8,656,142</u>	<u>9,069,329</u>

The average monthly number of employees, including the executive directors, during the 52 weeks was as follows:

	2008 No.	2007 No.
Bingo clubs	519	562
Administration	25	25
	<u>544</u>	<u>587</u>

5. INTEREST PAYABLE

	2008 £	2007 £
On bank loan and overdraft	<u>290,767</u>	<u>368,391</u>

6. AUDITORS' REMUNERATION

	2008 £	2007 £
Fees payable to the company's auditor for the audit of the company's annual accounts	16,525	15,715
Fees payable to the company's auditor and its associates in respect of:		
All other services	<u>11,599</u>	<u>3,500</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

7. TAXATION

	2008 £	2007 £
Analysis of tax charge in the 52 weeks		
Current tax (see note below)		
UK corporation tax charge on profit for the 52 weeks	975,300	985,000
Deferred tax (see note 13)		
Origination and reversal of timing differences	(106,000)	65,000
Tax on profit on ordinary activities	<u>869,300</u>	<u>1,050,000</u>

Factors affecting tax charge for the 52 weeks

The tax assessed for the 52 weeks is higher than (2007 - lower than) the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>3,050,060</u>	<u>3,501,041</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	869,267	1,050,312
Effects of:		
Capital allowances for 52 weeks in excess of depreciation	106,033	(65,312)
Current tax charge for the 52 weeks (see note above)	<u>975,300</u>	<u>985,000</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 52 WEEKS ENDED 28 DECEMBER 2008**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, equipment and vehicles £	Total £
Cost or valuation			
At 31 December 2007	28,450,371	15,389,976	43,840,347
Additions	54,022	1,193,353	1,247,375
Disposals	-	(1,837,397)	(1,837,397)
	<u>28,504,393</u>	<u>14,745,932</u>	<u>43,250,325</u>
At 28 December 2008	28,504,393	14,745,932	43,250,325
Charge for the period			
At 31 December 2007	-	9,519,341	9,519,341
Charge for the 52 weeks	-	2,092,005	2,092,005
On disposals	-	(1,824,459)	(1,824,459)
	<u>-</u>	<u>9,786,887</u>	<u>9,786,887</u>
At 28 December 2008	-	9,786,887	9,786,887
Net book value			
At 28 December 2008	<u>28,504,393</u>	<u>4,959,045</u>	<u>33,463,438</u>
At 30 December 2007	<u>28,450,371</u>	<u>5,870,635</u>	<u>34,321,006</u>

On the historical cost basis, land and buildings would have been included at £27,438,757 (2007 - £27,388,020).

9. STOCKS

	2008 £	2007 £
Goods for resale	<u>177,037</u>	<u>160,832</u>

10. DEBTORS

	2008 £	2007 £
Prepayments and accrued income	<u>421,695</u>	<u>416,845</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

11. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Bank loan and overdraft	713,900	924,833
Trade creditors	469,544	501,113
Corporation tax	337,596	341,296
Social security and other taxes	782,715	826,491
Accruals and deferred income	1,160,000	1,163,067
	<u>3,463,755</u>	<u>3,756,800</u>

12. CREDITORS: Amounts falling due after more than one year

	2008 £	2007 £
Bank loan	<u>3,736,472</u>	<u>5,046,083</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2008 £	2007 £
Repayable by instalments	<u>1,228,472</u>	<u>2,277,429</u>

The bank loan is secured by a first charge on certain freehold property of the company. The bank loan bears interest at 1% above the bank's base rate.

13. DEFERRED TAXATION

	2008 £	2007 £
At 31 December 2007	1,257,000	1,192,000
(Released during)/charge for the 52 weeks	(106,000)	65,000
	<u>1,151,000</u>	<u>1,257,000</u>
At 28 December 2008	<u>1,151,000</u>	<u>1,257,000</u>

The Deferred taxation is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>1,151,000</u>	<u>1,257,000</u>

CASTLE LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 DECEMBER 2008**

14. DEFERRED INCOME

	28 December 2008 £	30 December 2007 £
Grants	-	330,000
	<u> </u>	<u> </u>

15. SHARE CAPITAL

	2008 £	2007 £
Authorised		
990,000 Ordinary shares of £1 each	990,000	990,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
243,634 (2007 - 243,886) Ordinary shares of £1 each	243,634	243,886
	<u> </u>	<u> </u>

During the period the company issued 2,710 ordinary shares of £1 each for £54,200 cash, including 500 ordinary shares of £1 each to Wayne J Davies, a director of the company for £10,000.

During the period the company purchased 2,962 ordinary shares of £1 shares for £305,086.

16. RESERVES

	Share premium account £	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 31 December 2007	169,050	16,564	1,062,351	23,698,596
Profit retained				2,180,760
Dividends: Equity capital				(842,116)
Purchase of own shares				(300,715)
Premium on shares issued during the 52 weeks	51,490			
Utilised on purchase of shares	(4,370)			
Transfer on purchase of own shares		2,962		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28 December 2008	216,170	19,526	1,062,351	24,736,525
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	25,190,447	23,559,924
Profit for the 52 weeks	2,180,760	2,451,041
Dividends (Note 18)	(842,116)	(817,018)
Shares issued during the period	2,710	500
Shares redeemed/cancelled during the period	(300,715)	(500)
Share premium on shares issued (net of expenses)	47,120	-
Share premium utilised on redemption of shares	-	(3,500)
Closing shareholders' funds	<u>26,278,206</u>	<u>25,190,447</u>

18. DIVIDENDS

	2008 £	2007 £
Dividends paid on equity capital	<u>842,116</u>	<u>817,018</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	3,333,221	3,846,785
Depreciation of tangible fixed assets	2,092,005	2,022,176
Profit on disposal of tangible fixed assets	(4,606)	(31,379)
Government grants	(330,000)	(9,000)
(Increase)/decrease in stocks	(16,205)	26,076
(Increase)/decrease in debtors	(4,850)	180,669
Decrease in creditors	(78,411)	(238,875)
Net cash inflow from operations	<u>4,991,154</u>	<u>5,796,452</u>

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

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	7,606	22,647
Interest paid	(290,767)	(368,391)
Net cash outflow from returns on investments and servicing of finance	<u>(283,161)</u>	<u>(345,744)</u>

CASTLE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 DECEMBER 2008

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

	2008 £	2007 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,247,375)	(3,752,732)
Sale of tangible fixed assets	17,544	144,875
Net cash outflow from capital expenditure	(1,229,831)	(3,607,857)
	2008 £	2007 £
Financing		
Issue of ordinary shares	54,200	45,000
Purchase of ordinary shares	(305,086)	(48,500)
Repayment of loans	(1,124,354)	(796,941)
Net cash outflow from financing	(1,375,240)	(800,441)

21. ANALYSIS OF CHANGES IN NET DEBT

	31 December 2007 £	Cash flow £	Other non-cash changes £	28 December 2008 £
Cash at bank and in hand:	681,647	(114,384)	-	567,263
Bank overdraft	(396,190)	396,190	-	-
	285,457	281,806	-	567,263
Debt:				
Debts due within one year	(528,643)	(185,257)	-	(713,900)
Debts falling due after more than one year	(5,046,083)	1,309,611	-	(3,736,472)
Net debt	(5,289,269)	1,406,160	-	(3,883,109)

22. CAPITAL COMMITMENTS

At 28 December 2008 the Company had capital commitments as follows:

	2008 £	2007 £
Contracted for but not provided in these financial statements	350,000	230,000

23. PENSION COMMITMENTS

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