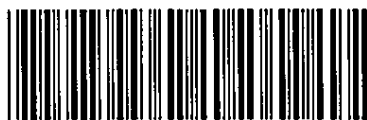


Registration number 2106984

Leisure Living Limited
Directors' report and financial statements
for the year ended 30 November 2006

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Leisure Living Limited
Directors' report
for the year ended 30 November 2006

The directors present their report and the financial statements for the year ended 30 November 2006

Principal activity and review of the business

The company operates the Solihull Ice Rink, which it holds on long lease

The directors consider that the results and future prospects are satisfactory. No changes are envisaged.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Going concern

The directors are of the opinion that, having regard to the funding available from its parent company, St Modwen Properties PLC, there is a reasonable expectation that the group has sufficient working capital to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Directors and their interests

The following were directors of the company during the year:

T P Haywood
C C A Glossop
W A Oliver

The relevant interests of Messrs Haywood, Glossop and Oliver in the shares of the ultimate parent company are disclosed in the directors' report of that company.

Directors' responsibilities

The directors are responsible for preparing 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 profit or loss of the company for that year. In preparing these financial statements the directors are required to:

Leisure Living Limited

**Directors' report
for the year ended 30 November 2006**

Directors' responsibilities (continued)

- select suitable accounting policies and apply them consistently,
- make judgements 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 which 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 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.


The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small and medium-sized companies.

This report was approved by the Board on 17/9/07 and signed on its behalf by



Director

Leisure Living Limited

Independent auditors' report to the shareholders of Leisure Living Limited

We have audited the company's financial statements for the year ended 30 November 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These 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 the auditors

The directors' responsibilities for preparing 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 are 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 judgements 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 which 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.

Leisure Living Limited

**Independent auditors' report to the shareholders of
Leisure Living Limited (continued)**

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 30 November 2006 and of its profit for the year 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



Ernst & Young LLP

Registered Auditor

Birmingham

Date 17/9/07

Leisure Living Limited

Profit and loss account for the year ended 30 November 2006

		2006	2005
	Notes	£	£
Turnover	2	1,635,272	1,340,693
Cost of sales		(1,124,733)	(1,053,341)
Gross profit		<u>510,539</u>	<u>287,352</u>
Administrative expenses		(4,429)	(7,543)
Profit on ordinary activities before taxation	3	<u>506,110</u>	<u>279,809</u>
Tax on profit on ordinary activities	6	(164,559)	(95,128)
Retained profit for the year	13	<u><u>341,551</u></u>	<u><u>184,681</u></u>

All amounts derive from continuing activities

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 7 to 14 form an integral part of these financial statements.

Leisure Living Limited

**Balance sheet
as at 30 November 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		1,967,314		1,941,689
Current assets					
Stocks	8	17,924		19,057	
Debtors	9	48,018		46,214	
Cash at bank and in hand		34,494		46,397	
		<u>100,436</u>		<u>111,668</u>	
Creditors: amounts falling due within one year	10	<u>(949,013)</u>		<u>(1,291,398)</u>	
Net current liabilities			<u>(848,577)</u>		<u>(1,179,730)</u>
Total assets less current liabilities			1,118,737		761,959
Provisions for liabilities	11		<u>(131,360)</u>		<u>(116,133)</u>
Net assets			<u>987,377</u>		<u>645,826</u>
Capital and reserves					
Called up share capital	12		200,000		200,000
Profit and loss account	13		787,377		445,826
Equity shareholders' funds	14		<u>987,377</u>		<u>645,826</u>

The financial statements were approved by the Board on 7/12/06 and signed on its behalf by



T P Haywood
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2006

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Going concern

The company is dependent upon support from its parent company. This financial support is available and the directors believe that it is therefore appropriate to prepare accounts on a going concern

1.3. Turnover

Turnover represents rental income receivable in accordance with UITF 28, other recoveries and income from leisure activities

1.4. Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Long leasehold	-	2% straight line
Plant and machinery	-	10% - 33% straight line

1.5. Stock

Stock is valued at the lower of cost and net realisable value

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Retirement benefits to employees in the company are provided by a defined benefit and defined contribution scheme which is funded by contributions from the company and employees. Payments to pension funds are made in accordance with periodic calculations by professionally qualified actuaries in the case of the defined benefit section and regularly as defined by the rules in the case of the defined contribution section. The company accounts for its contributions to the defined benefit scheme as if it were a defined contribution scheme as explained in note 4. Consequently, in respect of both the company's defined contribution arrangements and its defined benefit arrangement, the charge against the profit and loss is equal to the amount of the contributions paid.

1.7. Deferred taxation

In accordance with FRS19, deferred taxation is provided at the rate ruling at the balance sheet date on timing differences which arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes

1.8. Cash flow statement

The company's ultimate parent undertaking is St Modwen Properties PLC. Its cash flows are included in that company's consolidated cash flow statement. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement

Leisure Living Limited
Notes to the financial statements
for the year ended 30 November 2006

continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

	2006	2005
	£	£
Class of business		
Rental income	159,173	143,849
Leisure activities	1,476,099	1,196,844
	<u>1,635,272</u>	<u>1,340,693</u>

3. Profit on ordinary activities before taxation

	2006	2005
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation and other amounts written off tangible assets	88,970	73,841
Auditors' remuneration	4,429	6,243
Auditors' remuneration from non-audit work	-	1,300
	<u>-</u>	<u>1,300</u>

Leisure Living Limited
Notes to the financial statements
for the year ended 30 November 2006

continued

4. Pension costs

A number of the employees of the company are members of the St Modwen Properties PLC defined contribution scheme. Details of this scheme are available in the financial statements of that company. A number of other employees of the company are members of the West Midlands Authorities Pension Fund, which operates as a defined benefit scheme. The most recent actuarial valuation of the scheme was conducted as at 31 March 2004 using the projected unit method as follows:

Main assumptions (% per annum)

- rate of increase in salaries	4.25% - 4.55%
- inflation rate	2.5% - 2.8%
- return on scheme investments	5.6% - 6.6%

Results

- market value of scheme's assets	£4,739m
- level of funding	74%

Additional disclosures regarding the defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement Benefits". In accordance with FRS 17, the company will account for its contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the company's share of assets and liabilities in the scheme on a consistent and reasonable basis. Further details of the valuation can be found in the annual accounts of the Pension Fund, which are available from Wolverhampton City Council, Pensions Administration Division, Finance and Physical Resources, Civic Centre, Wolverhampton, WV1 1SL.

Leisure Living Limited
Notes to the financial statements
for the year ended 30 November 2006

continued

5. Directors and employees

None of the directors received any remuneration (2005 - £nil)

Number of employees

The average monthly numbers of employees
(including the directors) during the year were

Management

Other staff

2006
Number

2005
Number

6

5

38

41

44

46

Employment costs

2006
£

2005
£

Wages and salaries

366,974

341,970

Social security costs

26,505

23,985

Pension costs - other operating charge

16,288

14,427

409,767

380,382

Leisure Living Limited
Notes to the financial statements
for the year ended 30 November 2006

continued

6. Tax on profit on ordinary activities

Analysis of tax charge in period	2006	2005
	£	£
Current tax		
UK corporation tax	864	2,000
Adjustments in respect of previous periods	(3,904)	(5,781)
Group relief	152,372	81,000
	<u>149,332</u>	<u>77,219</u>
Total current tax charge	<u>149,332</u>	<u>77,219</u>
Deferred tax		
Timing differences, origination and reversal	10,500	12,000
Prior period adjustments	4,727	5,909
Total deferred tax	<u>15,227</u>	<u>17,909</u>
Tax on profit on ordinary activities	<u>164,559</u>	<u>95,128</u>

Factors affecting tax charge for period

The tax assessed for the period is different from the standard rate of corporation tax in the UK (30 per cent). The differences are explained below

	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>506,110</u>	<u>279,809</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 November 2005 30%)	151,833	83,943
Effects of:		
Expenses not deductible for tax purposes	12,403	12,000
Depreciation for period in excess of Capital Allowances	(10,500)	(12,000)
Adjustments to tax charge in respect of previous periods	(3,904)	(5,781)
Difference in tax rates	(500)	(1,000)
Other	-	57
Current tax charge for period	<u>149,332</u>	<u>77,219</u>

Leisure Living Limited

**Notes to the financial statements
for the year ended 30 November 2006**

continued

7. Tangible fixed assets	Long leasehold operating properties £	Plant, machinery and equipment £	Total £
Cost			
At 1 December 2005	1,982,301	321,535	2,303,836
Additions	59,817	54,778	114,595
At 30 November 2006	<u>2,042,118</u>	<u>376,313</u>	<u>2,418,431</u>
Depreciation			
At 1 December 2005	178,229	183,918	362,147
Charge for the year	40,843	48,127	88,970
At 30 November 2006	<u>219,072</u>	<u>232,045</u>	<u>451,117</u>
Net book values			
At 30 November 2006	<u>1,823,046</u>	<u>144,268</u>	<u>1,967,314</u>
At 30 November 2005	<u>1,804,072</u>	<u>137,617</u>	<u>1,941,689</u>
 8. Stocks		2006 £	2005 £
Goods for resale		<u>17,924</u>	<u>19,057</u>
 9. Debtors		2006 £	2005 £
Trade debtors		9,713	18,133
Other debtors		13,257	10,371
Prepayments and accrued income		25,048	17,710
		<u>48,018</u>	<u>46,214</u>

Leisure Living Limited

Notes to the financial statements
for the year ended 30 November 2006

continued

10. Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	40,178	51,114
Amounts owed to group undertaking	700,144	1,084,904
Corporation tax	864	2,000
Other taxes and social security costs	42,992	7,166
Other creditors	4,658	-
Accruals and deferred income	160,177	146,214
	<u>949,013</u>	<u>1,291,398</u>
11. Provision for deferred taxation	2006 £	2005 £
Accelerated capital allowances	<u>131,360</u>	<u>116,133</u>
Provision at 1 December 2005	116,133	
Deferred tax charge in profit and loss account	15,227	
Provision at 30 November 2006	<u>131,360</u>	
12. Share capital	2006 £	2005 £
Authorised equity		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid equity		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2006

continued

13. Equity Reserves	Profit and loss account £	Total £
At 1 December 2005	445,826	445,826
Retained profit for the year	341,551	341,551
At 30 November 2006	<u>787,377</u>	<u>787,377</u>
14. Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the year	341,551	184,681
Opening shareholders' funds	645,826	461,145
Closing shareholders' funds	<u>987,377</u>	<u>645,826</u>

15. Related party transactions

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other companies in the group

16. Ultimate parent undertaking

The ultimate parent undertaking is St Modwen Properties PLC, a company registered in England. Copies of the Group report and accounts of St Modwen Properties PLC are available from the Registered Office at 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF