

Registration number 2106984

Leisure Living Limited
Annual report and financial statements
for the year ended 30 November 2010

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Leisure Living Limited

Directors' report for the year ended 30 November 2010

The directors present their report and the financial statements for the year ended 30 November 2010

Principal activity and review of the business

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

Directors

The following were directors of the company during the year and subsequently

T P Haywood (resigned 26 November 2010)

M E Dunn (appointed 1 December 2010)

W A Oliver

J A W Dodds

Directors' responsibilities

The directors are responsible for preparing the Annual report and 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, and
- 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.

Leisure Living Limited

Directors' report for the year ended 30 November 2010

Going Concern

The Company is reliant on the support of its parent company, St Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of accounts on a going concern basis.

Directors Indemnities

For the financial year ended 30 November 2010, qualifying third party indemnity provisions (provided by the ultimate parent company St Modwen Properties PLC) were in force for the benefit of all the directors of the company and these remain in force at the date of this report.

Disclosure of information to the auditors

Each director at the date of approval of this report confirms that

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware,
- they have taken all steps necessary to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Deloitte LLP, have conducted the audit for the year ended 30 November 2010 and have expressed a willingness to remain in office. Arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 19/8/11 and signed on its behalf by



**Director
M E Dunn**

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

We have audited the financial statements of Leisure Living Limited for the year ended 30 November 2010 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. 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 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

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 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 (APB'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.

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 November 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

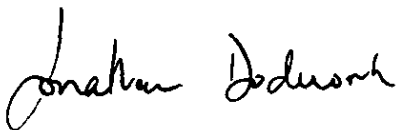
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



**Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom**

Date 31 August 2011

Leisure Living Limited

Profit and loss account for the year ended 30 November 2010

		2010	2009
	Notes	£	£
Turnover	2	1,573,431	1,238,870
Cost of sales		(1,122,842)	(1,106,794)
Gross profit		<u>450,589</u>	<u>132,076</u>
Administrative expenses		<u>(7,050)</u>	<u>(6,690)</u>
Profit on ordinary activities before taxation	3	443,539	125,386
Tax on profit on ordinary activities	6	(161,944)	(24,085)
Retained profit for the year	13	<u><u>281,595</u></u>	<u><u>101,301</u></u>

All amounts derive from continuing activities

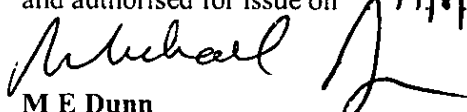
There are no recognised gains or losses other than the profit or loss for the above two financial years,
and accordingly no statement of total recognised gains and losses is presented

Leisure Living Limited

Balance sheet as at 30 November 2010

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		2,855,910		2,921,182
Current assets					
Stocks	8	14,258		13,510	
Debtors	9	98,765		168,701	
Cash at bank and in hand		85,119		55,799	
		<u>198,142</u>		<u>238,010</u>	
Creditors, amounts falling due within one year	10	(2,381,767)		(2,771,745)	
Net current liabilities			(2,183,625)		(2,533,735)
Total assets less current liabilities			<u>672,285</u>		<u>387,447</u>
Provisions for liabilities	11		(119,813)		(116,570)
Net assets			<u>552,472</u>		<u>270,877</u>
Capital and reserves					
Called up share capital	12		200,000		200,000
Profit and loss account	13		352,472		70,877
Shareholders' funds	14		<u>552,472</u>		<u>270,877</u>

The financial statements of Leisure Living Limited, registered number 2106984, were approved by the Board and authorised for issue on 19/8/11. They were signed on its behalf by


M E Dunn
Director

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom company law and accounting standards

The accounting policies have been applied consistently throughout the year and the preceding year. The directors have prepared the financial statements on a going concern basis for the reason set out in the paragraph headed Going Concern in the directors report

1.2 Turnover

Turnover represents rental income receivable on a straight line basis to the first break point in the lease, other recoveries and income from leisure activities provided in the normal course of business

1.3 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

1.4 Stock

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

1.5 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.

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

1.6 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

1.7 Cash flow statement

The company is a 100% subsidiary of 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 2010

2. Turnover

The total turnover of the company for the year has been derived wholly in the UK

	2010 £	2009 £
Class of business		
Rental income	181,617	187,888
Leisure activities	1,391,814	1,050,982
	<u>1,573,431</u>	<u>1,238,870</u>

3. Profit on ordinary activities before taxation

	2010 £	2009 £
Profit on ordinary activities is stated after charging/ (crediting)		
Depreciation	91,619	73,185
Fees payable to the company's auditors for the audit of the company's annual accounts	4,550	4,690
Fees payable to the company's auditors for tax services	2,500	2,000
(Profit)/Loss on disposal of fixed assets	<u>(4,368)</u>	<u>46,692</u>

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

4. Pension costs

A number of the employees of the company are members of the St Modwen Properties PLC defined contribution scheme. The profit and loss account charge for the year for this pension scheme was £nil (2009 £5,633). 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 profit and loss account charge for the year for this pension scheme was £16,165 (2009 £14,103). The most recent actuarial valuation of the scheme was conducted as at 31 March 2007 using the projected unit method as follows:

Main assumptions (% per annum)

- rate of increase in salaries	4.50% - 4.85%
- inflation rate	2.75% - 3.1%
- return on scheme investments	5.4% - 6.4%

Results

- market value of scheme's assets	£7,513m
- level of funding	82%
- overall scheme deficit	(£1,681m)

In accordance with FRS 17 "Retirement Benefits", 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. The company is unable to identify its share of the underlying assets and liabilities of the scheme as the scheme is a multi-employer scheme, which administers the pensions for a large number of local authority employees within the West Midlands, and the assets and liabilities are held independently of the company. An updated valuation of the scheme at 31 March 2007 carried out by Mercer using the projected unit method, indicated that the scheme was 82% funded. The company's contribution rate for the year ended 31 March 2010 is 17.7% and for the year ended 31 March 2011 is 17.3%. 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.

5. Directors and employees

The directors were paid by the ultimate parent undertaking, St Modwen Properties PLC, and no part of their remuneration was specifically attributable to this company in the current or the prior year.

Number of employees

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

	2010 Number	2009 Number
Management	5	5
Other staff	18	18
	<u>23</u>	<u>23</u>

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

Employment costs	2010 £	2009 £
Wages and salaries	402,554	380,494
Social security costs	27,066	27,197
Pension costs	16,165	19,618
	<u>445,785</u>	<u>427,309</u>

Share-based payments

The parent undertaking, St Modwen Properties PLC, has a save as you earn share option scheme open to all employees. Employees must remain in service for a period of five years from the date of grant before exercising their options. The option period ends six months following the end of the vesting period. The following table illustrates the number and weighted average exercise price of, and movements in, share options during the year.

	2010		2009	
	Number of options	Weighted average price	Number of options	Weighted average price
Outstanding at start of year	24,762	2.75	19,206	3.27
Granted	4,521	1.64	4,025	2.24
Lapsed	(6,643)	(3.06)	(1,099)	(2.06)
Exercised	-	-	(533)	(2.48)
Re-basing of options following issue of share capital	-	-	3,163	(0.39)
Outstanding at end of year	22,640	2.44	24,762	2.75
Exercisable at year end	-	-	1,258	2.10

Share options are priced using a Black-Scholes valuation model. The fair values calculated and the assumptions used are as follows:

	Fair value of balance sheet liability £000s	Risk-free interest rate %	Expected volatility %	Dividend yield %	Share price £ *
As at 30 th Nov 2010	3.3	0.7-2.4	54.4 - 67.5	1.8	1.65
As at 30 th Nov 2009	4.8	0.1-2.2	0.1-80.2	-	2.28

* Based on 90 day moving average

In arriving at fair value it has been assumed that, when vested, share options are exercised in accordance with historical trends. Expected volatility was determined by reference to the historical volatility of the group's share price over a period consistent with the expected life of the options.

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

6. Tax on profit on ordinary activities

Analysis of tax charge in year	2010 £	2009 £
Current tax		
UK corporation tax	141,844	45,500
Adjustments in respect of previous periods	16,857	(3,566)
Total current tax charge	<u>158,701</u>	<u>41,934</u>
Deferred tax		
Timing differences, origination and reversal	8,000	1,000
Prior period adjustments	-	(18,849)
Effect of change in tax rate	(4,757)	-
Total deferred tax	<u>3,243</u>	<u>(17,849)</u>
Tax on profit on ordinary activities	<u>161,944</u>	<u>24,085</u>

Factors affecting tax charge for period

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>443,539</u>	<u>125,386</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	124,191	35,108
Effects of:		
Depreciation for period in excess of Capital Allowances	17,653	10,500
Adjustments to tax charge in respect of previous periods	16,857	(3,566)
Other	-	(108)
Current tax charge for period	<u>158,701</u>	<u>41,934</u>

The Finance (No 2) Act 2010 introduced legislation to reduce the main rate of corporation tax from 28% to 27% effective from 1 April 2011 and this legislation was substantively enacted at the balance sheet date. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date and accordingly this reduction has been taken into account when stating the deferred tax liabilities as at 30 November 2010.

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

7. Tangible fixed assets	Long leasehold operating properties	Plant, machinery and equipment	Total
	£	£	£
Cost			
At 1 December 2009	3,204,288	339,064	3,543,352
(Net credit)/ additions	(4,706)	35,935	31,229
Disposals	-	(11,907)	(11,907)
At 30 November 2010	3,199,582	363,092	3,562,674
Depreciation			
At 1 December 2009	342,129	280,041	622,170
Charge for the year	63,665	27,954	91,619
Disposals	-	(7,025)	(7,025)
At 30 November 2010	405,794	300,970	706,764
Net book values			
At 30 November 2010	2,793,788	62,122	2,855,910
At 30 November 2009	2,862,159	59,023	2,921,182

8. Stocks	2010	2009
	£	£
Goods for resale	14,258	13,510

9. Debtors	2010	2009
	£	£
Trade debtors	25,055	53,635
Other debtors	37,622	79,683
Prepayments and accrued income	36,088	35,383
	98,765	168,701

Leisure Living Limited

**Notes to the financial statements
for the year ended 30 November 2010**

10. Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	87,749	90,177
Amounts owed to parent undertaking	1,880,726	2,369,910
Corporation tax	141,844	-
Other taxes and social security costs	47,623	34,000
Other creditors	3,488	3,671
Accruals and deferred income	220,337	273,987
	<u>2,381,767</u>	<u>2,771,745</u>
11. Provision for deferred taxation	2010 £	2009 £
Accelerated capital allowances	<u>119,813</u>	<u>116,570</u>
Provision at 1 December 2009	116,570	
Deferred tax credit in profit and loss account (note 6)	3,243	
Provision at 30 November 2010	<u>119,813</u>	
12. Share capital	2010 £	2009 £
Allotted, called up and fully paid equity		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
13. Reserves	Profit and loss account £	
At 1 December 2009	70,877	
Profit for the year	281,595	
At 30 November 2010	<u>352,472</u>	

Leisure Living Limited

Notes to the financial statements for the year ended 30 November 2010

14. Reconciliation of movements in shareholders' funds	2010 £	2009 £
Profit for the year	281,595	101,301
Opening shareholders' funds	270,877	1,619,576
Dividends paid on equity shares	-	(1,450,000)
Closing shareholders' funds	<u>552,472</u>	<u>270,877</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 and immediate 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. This is the largest and smallest group into which this company is consolidated.