

**Report of the Directors and
Financial Statements for the Year Ended 30 November 2011
for
Leisure Living Limited**

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for the Year Ended 30 November 2011**

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Leisure Living Limited
Company Information
for the Year Ended 30 November 2011

DIRECTORS:

M E Dunn
W A Oliver
J A W Dodds

REGISTERED OFFICE:

Sir Stanley Clarke House
7 Ridgeway
Quinton Business Park
Birmingham
West Midlands
B32 1AF

REGISTERED NUMBER:

02106984 (England and Wales)

AUDITORS:

Deloitte LLP
Chartered Accountants
& Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ

**Report of the Directors
for the Year Ended 30 November 2011**

The directors present their report with the financial statements of the company for the year ended 30 November 2011

PRINCIPAL ACTIVITY

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.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2010 to the date of this report

W A Oliver
J A W Dodds

Other changes in directors holding office are as follows

M E Dunn - appointed 1 December 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 2011 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent,
- 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.

**Report of the Directors
for the Year Ended 30 November 2011**

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, and
- 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

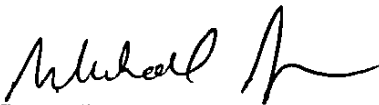
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITORS

Deloitte LLP, our appointed Auditors, have conducted the audit for the year ended 30 November 2011 and have expressed a willingness to remain in office. Arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



M E Dunn - Director

Date 28th August 2012

Report of the Independent Auditors to the Members of Leisure Living Limited

We have audited the financial statements of Leisure Living Limited for the year ended 30 November 2011 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors 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 November 2011 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.

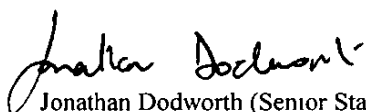
Opinion on other matter prescribed by the Companies Act 2006

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

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 Report of the Directors.



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants
& Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ

Date 30 August 2012

Leisure Living Limited (Registered number: 02106984)

**Profit and Loss Account
for the Year Ended 30 November 2011**

	Notes	2011 £	2010 £
TURNOVER	2	1,363,235	1,573,431
Cost of sales		<u>(1,063,761)</u>	<u>(1,122,842)</u>
GROSS PROFIT		299,474	450,589
Administrative expenses		<u>(6,910)</u>	<u>(7,050)</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	292,564	443,539
Tax on profit on ordinary activities	6	<u>(75,064)</u>	<u>(161,944)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>217,500</u></u>	<u><u>281,595</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

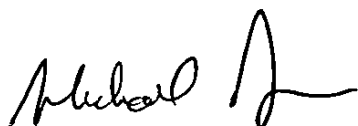
The notes form part of these financial statements

Leisure Living Limited (Registered number: 02106984)

Balance Sheet
30 November 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	2,833,823	2,855,910
CURRENT ASSETS			
Stocks	8	11,796	14,258
Debtors	9	109,628	98,765
Cash at bank and in hand		20,071	85,119
		<u>141,495</u>	<u>198,142</u>
CREDITORS			
Amounts falling due within one year	10	(2,079,533)	(2,381,767)
NET CURRENT LIABILITIES		<u>(1,938,038)</u>	<u>(2,183,625)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		895,785	672,285
PROVISIONS FOR LIABILITIES	11	<u>(125,813)</u>	<u>(119,813)</u>
NET ASSETS		<u><u>769,972</u></u>	<u><u>552,472</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	200,000	200,000
Profit and loss account	13	569,972	352,472
SHAREHOLDERS' FUNDS	16	<u><u>769,972</u></u>	<u><u>552,472</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 28th August 2012 and were signed on its behalf by



M E Dunn - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 November 2011**

1 ACCOUNTING POLICIES

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 reasons set out in the paragraph headed "Going concern" in the directors' report

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

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

Tangible fixed assets

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

Stock and work in progress

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

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

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 3. 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

Notes to the Financial Statements - continued
for the Year Ended 30 November 2011

2 **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by class of business is given below

	2011 £	2010 £
Rental income	233,344	181,617
Leisure activities	1,129,891	1,391,814
	<u>1,363,235</u>	<u>1,573,431</u>

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

Notes to the Financial Statements - continued
for the Year Ended 30 November 2011

3 STAFF COSTS

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 £5,167 (2010 £nil). 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 £18,335 (2010 £16,165). The most recent actuarial valuation of the scheme was conducted as at 31 March 2010 using the projected unit method as follows:

Main assumptions (% per annum)

- rate of increase in salaries	4.75% - 4.75%
- inflation rate	3.00% - 3.00%
- return on scheme investments	5.50% - 6.75%

Results

- market value of scheme's assets	£8,008m
- level of funding	75%
- overall scheme deficit	£(2,614m)

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 2010 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 2012 is 17.3% and for the year ended 31 March 2013 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.

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:

	2011		2010	
	Number of options	Weighted average price	Number of options	Weighted average price
Outstanding at start of year	22,640	2.44	24,762	2.75
Granted	-	1.56	4,521	1.64
Lapsed	(483)	(4.10)	(6,643)	(3.06)
Exercised	-	-	-	-
Re-basing of options following issue of share capital	-	-	-	-
Outstanding at end of year	22,157	2.41	22,640	2.44
Exercisable at year end	-	-	-	-

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

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2011**

	Fair value of balance sheet liability £000s	Risk-free interest rate %	Expected volatility %	Dividend yield %	Share price* £
As at 30th Nov 2011	1.9	0.4 - 1.1	23.4 - 56.1	2.4	1.23
As at 30th Nov 2010	3.3	0.7 - 2.4	54.5 - 67.5	1.8	1.65

*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.

4 OPERATING PROFIT

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

	2011 Number	2010 Number
The average monthly number of employees (including the directors) during the year were		
Management	4	5
Other staff	18	18
	<u>22</u>	<u>23</u>

	2011	2010
Employment costs		
Wages and salaries	385,309	402,554
Social security costs	24,932	27,066
Pension costs	23,501	16,165
	<u>433,742</u>	<u>445,785</u>

5 AUDITORS REMUNERATION

Auditors' remuneration was borne by its parent company, St Modwen Properties PLC. The fee payable for audit of the financial statements was £4,235 (2010: £4,550) and the fee payable for tax services was £2,675 (2010: £2,500).

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2011 £	2010 £
Current tax		
UK corporation tax	69,064	158,701
Deferred tax	<u>6,000</u>	<u>3,243</u>
Tax on profit on ordinary activities	<u>75,064</u>	<u>161,944</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2011

6 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	292,564	443,539
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.670% (2010 - 28%)	78,027	124,191
Effects of Depreciation for period in excess of capital allowances	(7,000)	17,653
Adjustments to tax charge in respect of previous periods	(1,963)	16,857
Current tax charge	69,064	158,701

Factors that may affect future tax charges

The Finance Act 2011 introduced legislation to reduce the main rate of corporation tax from 26% to 25% effective from 1 April 2012 and this legislation was substantively enacted at the balance sheet date and accordingly this reduction has been taken into account when stating the deferred tax liability at 30 November 2011.

On 21 March 2012, the Chancellor announced that the main rate of corporation tax would be further reduced to 24% with effect from 1 April 2012 and subsequently would reduce by 1% per annum to reach 22% by 1 April 2014.

As these rate reductions had not been substantively enacted at the balance sheet date the effect of these tax rate reductions has not been reflected in the deferred tax balance.

7 TANGIBLE FIXED ASSETS

	Long leasehold operating properties £	Plant and machinery £	Totals £
COST			
At 1 December 2010	3,199,582	363,092	3,562,674
Additions	1,842	63,083	64,925
Disposals	-	(4,167)	(4,167)
At 30 November 2011	3,201,424	422,008	3,623,432
DEPRECIATION			
At 1 December 2010	405,794	300,970	706,764
Charge for year	63,702	23,310	87,012
Eliminated on disposal	-	(4,167)	(4,167)
At 30 November 2011	469,496	320,113	789,609
NET BOOK VALUE			
At 30 November 2011	2,731,928	101,895	2,833,823
At 30 November 2010	2,793,788	62,122	2,855,910

Notes to the Financial Statements - continued
for the Year Ended 30 November 2011

8	STOCKS	2011 £	2010 £
	Goods for resale	<u>11,796</u>	<u>14,258</u>
9	DEBTORS	2011 £	2010 £
	Trade debtors	27,219	25,055
	Other debtors	33,469	37,622
	Prepayments and accrued income	<u>48,940</u>	<u>36,088</u>
		<u>109,628</u>	<u>98,765</u>
10	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £	2010 £
	Trade creditors	76,438	87,749
	Amounts owed to parent undertaking	1,731,594	1,880,726
	Corporation tax	70,999	141,844
	Other tax and social security	37,806	47,623
	Other creditors	2,838	3,488
	Accruals and deferred income	<u>159,858</u>	<u>220,337</u>
		<u>2,079,533</u>	<u>2,381,767</u>
11	PROVISIONS FOR LIABILITIES	2011 £	2010 £
	Deferred tax	125,813	119,813
	Accelerated capital allowances	<u>125,813</u>	<u>119,813</u>
			Deferred tax
			£
	Balance at 1 December 2010		119,813
	Timing differences		<u>6,000</u>
	Balance at 30 November 2011		<u>125,813</u>
12	CALLED UP SHARE CAPITAL	2011 £	2010 £
	Allotted, called up and fully paid equity	200,000	200,000
	200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2011

13 RESERVES

	Profit and loss account £
At 1 December 2010	352,472
Profit for the year	217,500
At 30 November 2011	<u>569,972</u>

14 ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is St Modwen Properties PLC, a company registered in England & Wales. 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 smallest and largest group into which this company is consolidated.

15 RELATED PARTY DISCLOSURES

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 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	217,500	281,595
Net addition to shareholders' funds	217,500	281,595
Opening shareholders' funds	552,472	270,877
Closing shareholders' funds	<u>769,972</u>	<u>552,472</u>