

# **Leisure Living Limited**

## **Report and Financial Statements**

30 November 2004

*Registered Number 2106984*



A37 : \*AX48U7CH\* 0471  
COMPANIES HOUSE 28/07/05

## **Directors' Report**

The directors present their report and financial statements for the year ended 30 November 2004.

### **Results and Dividends**

The retained profit of £141,985 (2003: £ 99,495) has been transferred to reserves.

The directors do not recommend the payment of a dividend for the year (2003: £nil).

### **Principal Activity**

The company operates the Solihull Ice Rink, which it holds under a long lease.

### **Review of the Business**

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

### **Directors and their Interests**

The following were directors of the company during the year, none of whom had any interest in the shares of the company.

T P Haywood

C C A Glossop

W A Oliver

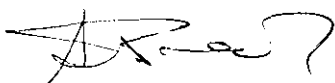
Sir S W Clarke (resigned 23<sup>rd</sup> April 2004)

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.

### **Auditors**

Ernst & Young LLP have expressed a willingness to remain in office and a resolution to reappoint Ernst & Young LLP will be put forward at the Annual General Meeting.

By order of the board



S K Preedy  
Secretary

Date

### **Statement of Directors' Responsibilities in Relation to the Financial Statements**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

## **Independent Auditors' Report to the Members of Leisure Living Limited**

We have audited the company's financial statements for the year ended 30 November 2004 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movement in Shareholders' Funds, Accounting Policies and the related notes 1 to 14. These financial statements have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP  
Registered Auditor  
Birmingham

*Ernst & Young LLP*

Date

*26 July 2005*

## Profit and Loss Account

For the year ended 30 November

	Notes	2004 £	2003 £
<b>Turnover</b>	1	<u><b>1,197,605</b></u>	<u>1,063,680</u>
<b>Profit on ordinary activities before taxation</b>	2	<b>209,488</b>	150,018
Taxation on profit on ordinary activities	5	<b>(67,503)</b>	(50,523)
<b>Profit on ordinary activities after taxation</b>		<u><b>141,985</b></u>	<u>99,495</u>

All activities derive from continuing operations.

A statement of the movement in reserves is shown  
in note 12

# Leisure Living Limited

## Balance Sheet

At 30 November

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	6	<u>1,797,041</u>	<u>1,745,512</u>
<b>Current assets</b>			
Stocks	7	20,582	21,004
Debtors	8	46,210	91,822
Cash at bank and in hand		<u>33,731</u>	<u>14,731</u>
		100,523	127,557
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(1,338,195)	(1,466,993)
<b>Net current liabilities</b>		<u>(1,237,672)</u>	<u>(1,339,436)</u>
<b>Total assets less current liabilities</b>		559,369	406,076
<b>Provisions for liabilities and charges</b>	10	(98,224)	(86,916)
<b>Net assets</b>		<u>461,145</u>	<u>319,160</u>
<b>Capital and reserves</b>			
Called up share capital	11	200,000	200,000
Profit and loss account	12	261,145	119,160
<b>Equity shareholders' funds</b>		<u>461,145</u>	<u>319,160</u>

The Report and Accounts were approved by the Board of Directors on

Signed on behalf of the Board of Directors by



T P Haywood

Director

## Supplementary Statements

For the year ended 30 November

	2004	2003
	£	£
<b>Reconciliation of Movements in Shareholders' Funds</b>		
Profit attributable to shareholders	141,985	99,495
Opening shareholders' funds	319,160	219,665
Closing shareholders' funds	<u>461,145</u>	<u>319,160</u>

## **Accounting Policies**

The accounts and notes have been prepared in accordance with applicable accounting standards.

## **Basis of Preparation**

The accounts have been prepared under the historical cost convention.

## **Fundamental accounting concept**

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

## **Turnover and Profit Recognition**

Turnover represents rental income receivable in accordance with UITF28, other recoveries and income from leisure activities.

## **Tangible Fixed Assets**

Tangible fixed assets are depreciated by equal instalments over their expected useful lives at annual rates varying between 2% and 33%.

## **Stocks**

Stocks and work in progress are stated at the lower of cost and net realisable value, less amounts invoiced on account.

## **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

## **Pension Costs**

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 costs are charged to the profit and loss account, so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

## **Taxation – Group Relief**

Full payment is made for group relief surrendered between related undertakings.



## Notes to the Accounts

### 1. Turnover and Profit Analysis

	Turnover £	2004 Cost of sales £	Profit £
Rental income	130,989	-	130,989
Leisure activities	1,066,616	(980,927)	85,689
	<u>1,197,605</u>	<u>(980,927)</u>	<u>216,678</u>
Administrative and other operating expenses			(7,190)
Profit before taxation			<u>209,488</u>

	Turnover £	2003 Cost of sales £	Profit £
Rental income	123,929	-	123,929
Leisure activities	939,751	(910,156)	29,595
	<u>1,063,680</u>	<u>(910,156)</u>	<u>153,524</u>
Administrative and other operating expenses			(3,506)
Profit before taxation			<u>150,018</u>

### 2. Profit on ordinary activities before taxation

	2004 £	2003 £
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	70,872	75,532
Auditors' remuneration -		
- audit services	2,323	2,205
- taxation advice	1,300	1,300

### 3. Information regarding Directors and Employees

None of the directors received any remuneration (2003 - £nil)

	2004 No	2003 No
Average number of persons employed (excluding directors):		
Management	5	5
Other staff	42	41
	<u>47</u>	<u>46</u>

	2004 £	2003 £
Staff costs during the year:		
Wages and salaries	349,115	324,640
National insurance contributions	21,469	16,985
	<u>370,584</u>	<u>341,625</u>

### 4. Pensions

A number of 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 a define benefit pension scheme.

The most recent actuarial valuation of the scheme was conducted as at 31 March 2001 using the projected unit method as follows:

Main assumptions (% per annum):

- rate of increase in salaries 3.8% - 4.0%
- inflation rate 2.3% - 2.5%
- return on scheme investments 5.6% - 6.5%

Results:

- market value of scheme's assets £4,940M
- level of funding 95.5%

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. The actuarial valuation described above has been updated at 31 March 2004 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value. Further details of this valuation which shows a deficit of £ 457M 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. Taxation on Profit on ordinary activities

	2004 £	2003 £
<b>(a) Analysis of charge in period</b>		
<b>Current tax</b>		
UK Corporation Tax on profits of the period	1,839	2,036
Group Relief Payable	56,886	34,542
Adjustments in respect of previous periods	(2,530)	7,203
Total current tax (note (b))	<u>56,195</u>	<u>43,781</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 10)	8,863	14,704
Adjustments in respect of previous periods (note 10)	2,445	(7,962)
Taxation on profits on ordinary activities	<u>67,503</u>	<u>50,523</u>
	2004 £	2003 £
<b>(b) Factors affecting tax charge for period</b>		
Profit on ordinary activities before tax	<u>209,488</u>	<u>150,018</u>
Profit on ordinary activities at the standard rate of UK Corporation Tax of 30%	62,846	45,005
Disallowed expenses and non-taxable income	5,806	7,455
Capital allowances for period in excess of depreciation	(8,863)	(14,704)
Adjustments in respect of previous periods	(2,530)	7,203
Differences in tax rates	(1,064)	(1,178)
	<u>56,195</u>	<u>43,781</u>

## 6. Tangible Fixed Assets

	Operating property	Plant machinery and Equipment	Total
<i>Cost or Valuation</i>	£	£	£
At 30 Nov 2003	1,783,818	179,128	1,962,946
Additions	43,620	78,781	122,401
<b>At 30 Nov 2004</b>	<b><u>1,827,438</u></b>	<b><u>257,909</u></b>	<b><u>2,085,347</u></b>
<i>Depreciation</i>			
At 30 Nov 2003	104,664	112,770	217,434
Charge for the year	36,549	34,323	70,872
<b>At 30 Nov 2004</b>	<b><u>141,213</u></b>	<b><u>147,093</u></b>	<b><u>288,306</u></b>
<b>Net book value at 30 Nov 2004</b>	<b><u>1,686,225</u></b>	<b><u>110,816</u></b>	<b><u>1,797,041</u></b>
Net book value at 30 Nov 2003	<u>1,679,154</u>	<u>66,358</u>	<u>1,745,512</u>
Tenure of operating properties: Long Leasehold	<u>1,686,225</u>		

## 7. Stocks

	2004 £	2003 £
Goods for resale	<u>20,582</u>	<u>21,004</u>

## 8. Debtors

	2004 £	2003 £
<i>Amounts falling due within one year:</i>		
Trade debtors	7,528	14,810
Other debtors	17,305	65,589
Prepayments	<u>21,377</u>	<u>11,423</u>
	<b><u>46,210</u></b>	<b><u>91,822</u></b>

## 9. Creditors

	2004 £	2003 £
<i>Amounts falling due within one year:</i>		
Trade creditors	52,439	58,728
Amounts due to parent company	1,086,823	1,216,690
Corporation tax	1,839	2,036
Other taxation and social security	30,016	33,512
Other creditors	6,028	3,528
Accruals and deferred income	161,050	152,499
	<u>1,338,195</u>	<u>1,466,993</u>

## 10. Deferred Taxation

	Provided		Unprovided	
	2004 £	2003 £	2004 £	2003 £
The amounts of deferred taxation provided and unprovided in the accounts are:				
- capital allowances in excess of depreciation	<u>98,224</u>	<u>86,916</u>	<u>-</u>	<u>-</u>

Reconciliation of movement on deferred tax liability

	2004 £
Balance as at 30 November 2003	86,916
Profit and loss account (note 5)	11,308
Balance as at 30 November 2004	<u>98,224</u>

## 11. Called up share capital

	2004 £	2003 £
Authorised: Equity share capital: 500,000 Ordinary £1 shares:	<u>500,000</u>	<u>500,000</u>
Allotted and fully paid: Equity share capital: 200,000 Ordinary £1 shares	<u>200,000</u>	<u>200,000</u>

## 12. Reserves

	Profit & Loss Account £
At 30 November 2003	119,160
Retained profit for the year	<u>141,985</u>
At 30 November 2004	<u>261,145</u>

## 13. 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.

## 14. Ultimate Parent Company

The 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 Lyndon House, 58/62 Hagley Road, Edgbaston, Birmingham B16 8PE.