Leaguenotion

Annual report and financial statements for the year ended 31 October 2009

Registered number 2540173

Leaguenotion

Annual report and financial statements

for the year ended 31 October 2009

Contents

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Directors' report for the year ended 31 October 2009

The directors present their annual report together with the audited financial statements of the company for the year ended 31 October 2009

Principal activities
The principal activity of the company is the provision of leisure services and entertainment facilities

Business review and future developments
The position of the company is satisfactory The directors are in a suitable position to take advantage of any possible business opportunities and look forward with confidence to the future

Results and dividends
The results of the year are set out on page 5 The directors do not recommend payment of a dividend (2008 £nil)

Post balance sheet events
The details of all post balance sheet events are set out in note 19

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties

A discussion of these risks and uncertainties, in the context of the Falcombe Holdings Limited group ("the group") as a whole, is provided in the directors' report of the consolidated financial statements of Falcombe Holdings Limited, the parent company

Key performance indicators ("KPIs")
Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Financial risk management
The company is exposed to a variety of financial risks which result from both its operating and investing activities The board is responsible for coordinating the company's risk management and focuses on actively securing the company's short to medium term cash flows

The company does not actively engage in the trading of financial assets and has no financial derivatives

The most significant financial risks to which the company is exposed to are described below

Liquidity risk - The company seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Working capital requirements are met principally out of cash

Credit risk - Credit risk arises from cash and deposits with banks and financial institutions For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted

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Directors
The directors of the company who served during the year and up to the date of signing the financial statements were

I Imrie
DH Biesterfield
DJ Horrocks (appointed 30 March 2009)

Qualifying third party indemnity provisions
Following shareholder approval, the company has put in place an indemnity for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 This was in force during the financial year and also at the date of signing the financial statements

Statement of directors' responsibilities
The directors are responsible for preparing the directors' 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 prepared 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

Disclosure of information to auditors
Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves 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

On behalf of the board

DJ Horrocks
Director 30 July 2010

Independent auditors' report to the members of Leaguenotion

We have audited the financial statements of Leaguenotion for the year ended 31 October 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 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)

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 2 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 Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 31 October 2009 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

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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

Mark Webster

Mark Webster (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

30 July 2010

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Profit and loss account for the year ended 31 October 2009

	Note		2009		2008
		£'000	£'000	£'000	£'000
Turnover					
Continuing operations	1	**13,039**		12,623	
Discontinued operations	1	-		631	
			13,039		13,254
Cost of sales	2		**(7,285)**		(7,773)
Gross profit	2		**5,754**		5,481
Administrative expenses	2		**(4,367)**		(4,581)
Other operating income			**5**		16
Operating profit					
Continuing operations		**1,991**		1,651	
Discontinued operations		**(599)**		(735)	
			1,392		916
Interest receivable and similar income	5		**73**		-
Profit on ordinary activities before taxation	3		**1,465**		916
Tax on profit on ordinary activities	6		**(494)**		(337)
Profit for the financial year	14		**971**		579

The company has no recognised gains or losses other than those included in the results above, and therefore no statement of recognised gains and losses has been prepared

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

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Balance sheet as at 31 October 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Intangible assets	7		**1,059**		1,204
Tangible assets	8		**1,321**		1,867
			2,380		3,071
Current assets					
Stocks	9	**183**		142	
Debtors	10	**25,178**		20,930	
Cash at bank and in hand		**910**		1,122	
		26,271		22,194	
Creditors: amounts falling due within one year	11	**(5,686)**		(3,173)	
Net current assets			**20,585**		19,021
Total assets less current liabilities			**22,965**		22,092
Provisions for liabilities	12		**-**		(98)
Net assets			**22,965**		21,994
Capital and reserves					
Called up share capital	13		**-**		-
Profit and loss account	14		**22,965**		21,994
Total shareholders' funds	15		**22,965**		21,994

The financial statements on pages 5 to 16 were approved by the board of directors on 30 July 2010 and are signed on its behalf by

DJ Horrocks
Director

Leaguenotion
Registered number 2540173

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Statement of accounting policies

Basis of accounting
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the year, are set out below

Turnover
Turnover represents the receipts from the provision of leisure services and entertainment facilities, exclusive of value added tax, within the United Kingdom Turnover is recognised at the point of receipt, as the company is a cash business Advance cash receipts are included as deferred income and recognised over the period of usage of leisure facilities

Other operating income
Other operating income represents the management charge receivable from a fellow group undertaking, recognised in the accounting period to which it relates

Operating leases
Operating lease payments are charged to the profit and loss account on a straight line basis over the term of the lease

Taxation
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 results 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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on taxation rates and laws substantively enacted at the balance sheet date

Intangible fixed assets
Goodwill is treated as an intangible fixed asset and the cost written off over the estimated useful life, not exceeding 20 years, in equal instalments

Goodwill represents the excess of the fair value of the consideration given the fair value of the identifiable net assets acquired

The company evaluates the carrying value of goodwill in each financial year to determine if there has been impairment in value, which would result in the inability to recover the carrying amount When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account

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Tangible fixed assets and depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives, which are considered to be

Long leasehold properties	- term of lease
Short leasehold properties	- term of lease
Fixtures, fittings and equipment	- 10 years

Stocks
Stocks are stated at the lower of cost and net realisable value Cost is determined using the first-in first-out (FIFO) method Where necessary, provision is made for slow moving, obsolete and defective stocks

Cash flow statement
The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) "cash flow statements" to prepare a cash flow statement as it is a wholly owned subsidiary of Falcombe Holdings Limited and its cash flows are included within the consolidated financial statements of that company which are publicly available

Notes to the financial statements for the year ended 31 October 2009

1 Turnover

The directors of the company consider that the company has one geographical and business segment and therefore is not required to produce additional segmental disclosure All the activities of the company fall into the principal activity as stated within the directors' report and the activities arise wholly in the United Kingdom

2 Cost of sales, gross profit and administrative expenses

	Continuing operations £'000	**Discontinued operations £'000**	**2009 Total £'000**	Continuing operations £'000	Discontinued operations £'000	2008 Total £'000
Turnover	**13,039**	**-**	**13,039**	12,623	631	13,254
Cost of sales	**(6,989)**	**(296)**	**(7,285)**	(7,177)	(596)	(7,773)
Gross profit	**6,050**	**(296)**	**5,754**	5,446	35	5,481
Administrative expenses	**(4,064)**	**(303)**	**(4,367)**	(3,811)	(770)	(4,581)
Other operating income	**5**	**-**	**5**	16	-	16
Operating profit	**1,991**	**(599)**	**1,392**	1,651	(735)	916

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is arrived at after charging/(crediting)

	2009 £'000	2008 £'000
Depreciation	**403**	505
Amortisation	**145**	146
Other operating income	**(5)**	(16)
Management charges	**459**	448
Machine hire charges	**1,589**	1,741
Property rental charges	**1,811**	1,875

The audit fee in the current and prior year has been borne by the parent company

4 Staff costs

Staff costs comprise

	2009 £'000	2008 £'000
Wages and salaries	**2,262**	2,377
Social security costs	**180**	189
	2,442	2,566

The average monthly number of employees employed by the company in the provision of leisure services and entertainment facilities during the year was 161 (2008 165), excluding directors

None of the directors received any emoluments for their services to the company (2008 £nil)

5 Interest receivable and similar income

	2009 £'000	2008 £'000
HMRC interest	**73**	-

6 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2009 £'000	2008 £'000
Current tax		
UK corporation tax on profits of the year	**519**	365
Adjustments in respect of prior years	**80**	(6)
Total current tax	**599**	359
Deferred tax		
Origination and reversal of timing differences	**(105)**	(22)
Total deferred tax (note 12)	**(105)**	(22)
Tax on profit on ordinary activities	**494**	337

(b) Factors affectıng tax charge for the year

The tax assessed for the year ıs hıgher (2008 hıgher) than the standard rate of corporatıon tax ın the UK of 28% (2008 28 83%) The dıfferences are explaıned below

	2009	2008
	£'000	£'000
Profit on ordınary actıvıtıes before taxatıon	**1,465**	916
Profit on ordınary actıvıtıes multıplıed by standard rate of corporatıon tax ın the UK of 28% (2008 28 83%)	**410**	264
Effects of		
Expenses not deductıble for tax purposes	**67**	78
Capıtal allowances less than deprecıatıon	**42**	23
Adjustments ın respect of prıor years	**80**	(6)
Current tax for the year	**599**	359

(c) Factors that may affect future tax charges

A number of changes to the UK corporatıon tax system were announced as part of the June 2010 budget statement These changes have yet to be enacted and therefore have not been recognısed ın these financıal statements

The future tax charge wıll be affected by the change ın future tax rates The standard rate of corporatıon tax wıll remaın at 28% next year, wıth a 1% cut due ın each of the followıng four years

The ımpact of these changes ıs not expected to have a materıal effect on the financıal statements

There are no other factors whıch are expected to sıgnıficantly affect the future tax charge

No provısıon has been made for gaıns arısıng on the dısposal of leases ın prıor years These gaıns wıll be rolled over ınto replacement assets therefore such tax wıll only become payable when these assets are sold wıthout ıt beıng possıble to claım rollover relıef The total amount unprovıded ıs £2,852,500 (2008 £2,852,500)

7 Intangible assets

	Goodwill
	£'000
Cost	
At 1 November 2008 and 31 October 2009	**2,904**
Amortisation	
At 1 November 2008	1,700
Charge for the year	145
At 31 October 2009	**1,845**
Net book amount	
At 31 October 2009	**1,059**
At 31 October 2008	1,204

Goodwill arose on the acquisition of arcades and is being amortised over 20 years

8 Tangible assets

	Long leasehold properties	Short leasehold properties	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 November 2008	340	240	9,998	10,578
Additions	-	29	50	79
Transfers to other group companies	-	-	(443)	(443)
At 31 October 2009	**340**	**269**	**9,605**	**10,214**
Accumulated depreciation				
At 1 November 2008	340	30	8,341	8,711
Charge for the year	-	15	388	403
Transfers to other group companies	-	-	(221)	(221)
At 31 October 2009	**340**	**45**	**8,508**	**8,893**
Net book amount				
At 31 October 2009	**-**	**224**	**1,097**	**1,321**
At 31 October 2008	-	210	1,657	1,867

9 Stocks

	2009 £'000	2008 £'000
Consumables	**183**	142

10 Debtors

	2009 £'000	2008 £'000
Trade debtors	**3**	9
Amounts owed by group undertakings	**24,308**	19,476
Amounts owed by related parties	**-**	223
Corporation tax	-	81
Deferred tax asset	**7**	-
Other debtors	**96**	106
Prepayments and accrued income	**764**	1,035
	25,178	20,930

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

Amounts owed by related parties are unsecured, interest free and repayable on demand

11 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	**483**	373
Amounts owed to group undertakings	**4,633**	2,455
Amounts owed to related parties	**-**	56
Corporation tax	**282**	-
Taxation and social security	**73**	83
Other creditors	**47**	53
Accruals and deferred income	**168**	153
	5,686	3,173

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

Amounts owed to related parties are unsecured, interest free and repayable on demand

The company has given a cross guarantee on the obligations by fellow group undertakings under a facilities agreement with the group's bankers At 31 October 2009 the liability was £nil (2008 £nil)

12 Provision for liabilities

Deferred tax comprises:	2009 £'000	2008 £'000
Capital allowances (less than)/in excess of depreciation	**(7)**	98

The movement during the year arose as follows	£'000
At 1 November 2008	98
Deferred tax credit for the year (note 6)	(105)
At 31 October 2009 (note 10)	**(7)**

13 Called up share capital

	2009	2008
	£	£
Authorised		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted and fully paid		
100 ordinary shares of £1 each	**100**	100

14 Profit and loss account

	£'000
At 1 November 2008	21,994
Profit for the financial year	971
At 31 October 2009	**22,965**

15 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for the financial year	**971**	579
Opening shareholders' funds	**21,994**	21,415
Closing shareholders' funds	**22,965**	21,994

16 Lease commitments

The company has the following annual commitments in respect of non-cancellable operating leases expiring in the following years relating to land and buildings for which provision has not been made

	2009	2008
Expiring:	**£'000**	£'000
After more than five years	**1,683**	1,943

17 Ultimate parent undertaking

The ımmedıate parent undertakıng at 31 October 2009 was Falcombe, a company regıstered ın England The ultımate parent undertakıng at 31 October 2009 was Red Poppy Lımıted, a company regıstered ın Jersey Falcombe Holdıngs Lımıted ıs the parent undertakıng of the smallest and largest group of undertakıngs to consolıdate these financıal statements The consolıdated financıal statements of Falcombe Holdıngs Lımıted can be obtaıned from the Company secretary, St Ann's Wharf, 112 Quaysıde, Newcastle upon Tyne, NE99 1SB

The ultımate controllıng party ıs P Noble, by vırtue of hıs majorıty shareholdıng ın the ultımate parent undertakıng

Further detaıls have been provıded ın note 19 to these accounts

18 Related party transactions

Transactıons wıth other Falcombe Holdıngs Lımıted group companıes are not dısclosed ın the current year as the company has taken advantage of the exemptıon avaılable under Fınancıal Reportıng Standard No 8 'Related party dısclosures", as the consolıdated financıal statements of Falcombe Holdıngs Lımıted ın whıch the company ıs ıncluded are publıcly avaılable from that company's regıstered office

As a result of a group restructurıng undertaken durıng the year, the amounts owed by and to related partıes at 31 October 2008 are ıncluded wıthın amounts owed by and to group undertakıngs at 31 October 2009

Amounts owed by and to related partıes are shown ın notes 10 and 11

19 Post balance sheet events

On 1 Aprıl 2010 the share capıtal of Red Poppy Lımıted was transferred to Red Poppy (Gıbraltar) Lımıted, a company ıncorporated ın Gıbraltar As a result the ultımate parent undertakıng ıs now Red Poppy (Gıbraltar) Lımıted

On 11 June 2010 the share capıtal of the company was transferred to Lınkfield Estates Lımıted, a company regıstered ın England As a result the ımmedıate parent undertakıng ıs now Lınkfield Estates Lımıted