Grant Thornton

Financial statements D.C Leisure (Midlands) Limited

For the Year Ended 31 March 2009

D C LEISURE GROUP

Company No. 2745079

Company information

Company registration number	2745079
Registered office	Otium House 2 Freemantle Road Bagshot Surrey GU19 5LL
Directors	S Dodd T C Hewett P Kirkham
Secretary	S Dodd
Bankers	Lloyds TSB Bank plc City Office PO Box 72 Bailey Drive Gillingham Business Park GILLINGHAM Kent ME8 0LS
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Melton Street London NW1 2EP

D C LEISURE GROUP

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2009.

Principal activities

D.C. Leisure (Midlands) Limited is engaged in the management of leisure facilities.

Business review and future developments

The directors are satisfied with the results of the company for the year. The company ceased to manage these facilities on 28 April 2008 and has no plans to manage any facilities in the future.

Results and dividends

The company's results for the year are set out in the Profit and Loss account. No dividend was paid during the year (2008: £nil).

Directors

The directors who served the company during the year were as follows:

S Dodd
T C Hewett
P Kirkham

Directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 proper accounting records that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

S. Dodd

S Dodd
Secretary
27th August 2009

Grant Thornton

Report of the independent auditor to the members of D.C Leisure (Midlands) Limited

We have audited the financial statements of D.C Leisure (Midlands) Limited for the year ended 31 March 2009 on pages 7 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 9.

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 auditor's 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

Report of the independent auditor to the members of D.C Leisure (Midlands) Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 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 Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

14 September 2009
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Profit and loss account

	Note	2009 £	2008 £
Turnover		**138,688**	1,701,069
Cost of sales		**(104,210)**	(1,297,455)
Gross profit		**34,478**	403,614
Other operating charges	2	**(22,961)**	(216,790)
Profit on ordinary activities before taxation		**11,517**	186,824
Tax on profit on ordinary activities	4	**32**	(55,270)
Profit for the financial year		**11,549**	131,554
Balance brought forward		**1,176,419**	1,044,865
Balance carried forward		**1,187,968**	1,176,419

All of the activities of the company are classed as discontinued.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	5	–	5,794
Current assets			
Stocks	6	–	12,958
Debtors	7	**779,410**	1,402,506
Cash at bank		**499,817**	94,478
		1,279,227	1,509,942
Creditors: amounts falling due within one year	9	**(91,159)**	(230,800)
Net current assets		**1,188,068**	1,279,142
Total assets less current liabilities		**1,188,068**	1,284,936
Accruals and deferred income	10	–	(108,417)
Net assets		**1,188,068**	1,176,519
Capital and reserves			
Called-up equity share capital	12	**100**	100
Profit and loss account		**1,187,968**	1,176,419
Shareholders' funds	14	**1,188,068**	1,176,519

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors and authorised for issue on 27th August 2009, and are signed on their behalf by:

S. Dodd

S Dodd
Director

Notes to the financial statements

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building development	- the remaining duration of the management contract or the lease of the property
Office & major equipment	- 2-10 years or the remaining duration of the management contract, as appropriate

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1 Principal accounting policies (continued)

Deferred 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Deferred income

Income received in advance for courses and memberships is deferred and recognised in the period to which it relates.

1 Principal accounting policies (continued)

Pension costs

On 1 May 2004 the company's parent company established, as principal employer, the DC Leisure Pension Scheme. The pension costs in respect of the DC Leisure Pension Scheme are assessed in accordance with the advice of an independent, qualified actuary.

FRS 17 disclosures in respect of the DC Leisure Pension Scheme are disclosed in the ultimate parent company's financial statements. As the scheme is funded on a group basis it is not possible for the company to identify its share of the deficit. Therefore contributions to the pension scheme are charged to the profit and loss account as incurred.

2 Other operating charges

	2009	2008
	£	£
Administrative expenses	**22,961**	216,790

3 Operating profit

Operating profit is stated after charging:

	2009	2008
	£	£
Depreciation of owned fixed assets	**310**	3,702
Loss on disposal of fixed assets	**5,484**	–
Auditor's fees	**–**	3,333

None of the directors received any direct remuneration from the company for their services to the company during the current financial year (2008: nil).

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	**(2,000)**	2,000
Group relief receivable/payable	**(1,810)**	52,827
Total current tax	**(3,810)**	54,827
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	**3,778**	443
Tax on profit on ordinary activities	**(32)**	55,270

4 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009 £	2008 £
Profit on ordinary activities before taxation	**11,517**	186,824
Profit on ordinary activities by rate of tax	**3,225**	56,047
Expenses not deductible for tax purposes	**-**	47
Capital allowances for period in excess of depreciation	**(5,035)**	(1,267)
Adjustments to tax charge in respect of previous periods	**(2,000)**	-
Group relief surrendered/(claimed) before payment	**1,810**	52,827
Payment/(receipt) for group relief	**(1,810)**	(52,827)
Total current tax (note 4(a))	**(3,810)**	54,827

5 Tangible fixed assets

	Office and major equipment £	Building improvements £	Total £
Cost			
At 1 April 2008	160,304	135,957	296,261
Disposals	(160,304)	(135,957)	(296,261)
At 31 March 2009	–	–	–
Depreciation			
At 1 April 2008	154,510	135,957	290,467
Charge for the year	310	–	310
On disposals	(154,820)	(135,957)	(290,777)
At 31 March 2009	–	–	–
Net book value			
At 31 March 2009	–	–	–
At 31 March 2008	5,794	–	5,794

6 Stocks

	2009 £	2008 £
Goods for resale	**–**	12,958

7 Debtors

	2009	2008
	£	£
Trade debtors	–	68,701
Amounts owed by group undertakings	**776,810**	1,326,576
Corporation tax repayable	**2,000**	–
VAT recoverable	**600**	–
Prepayments and accrued income	–	3,451
Deferred taxation (note 8)	–	3,778
	779,410	1,402,506

8 Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2009	2008
	£	£
Included in debtors (note 7)	-	3,778

The movement in the deferred taxation account during the year was:

	2009	2008
	£	£
Balance brought forward	**3,778**	4,221
Profit and loss account movement arising during the year	**(3,778)**	(443)
Balance carried forward	-	3,778

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of depreciation over taxation allowances	-	3,778

9 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	**36,332**	34,714
Amounts owed to group undertakings	**54,827**	71,338
Corporation tax	–	2,000
Other taxation and social security	–	69,921
Other creditors	–	52,827
	91,159	230,800

10 Accruals and deferred income

	2009	2008
	£	£
Falling due within one year:		
Accruals	-	45,913
Deferred income - advance subscriptions	-	62,504
	-	108,417

11 Related party transactions

The company is a wholly owned subsidiary of DCL (Holdings) Limited which produces consolidated financial statements and accordingly has taken advantage of the exemption provided under FRS8 not to disclose certain intra-group transactions with related parties.

12 Share capital

Authorised share capital:

	2009	2008
	£	£
100 Ordinary shares of £1 each	**100**	100

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	**100**	**100**	100	100

13 Profit and loss account

	2009	2008
	£	£
Balance brought forward	**1,176,419**	1,044,865
Profit for the financial year	**11,549**	131,554
Balance carried forward	**1,187,968**	1,176,419

14 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	**11,549**	131,554
Opening shareholders' funds	**1,176,519**	1,044,965
Closing shareholders' funds	**1,188,068**	1,176,519

15 Parent Company and Controlling Party

It is the opinion of the directors that the immediate parent company is DC Leisure Management Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is a fund managed by Sovereign Capital Partners LLP, a Limited Liability Partnership registered in England and Wales.

DCL (Holdings) Limited, incorporated in England and Wales, is the parent company of the only group which includes this company for which consolidated accounts are prepared. The financial statements of DCL (Holdings) Limited are available on request to the Company Secretary, Otium House, 2 Freemantle Road, Bagshot, Surrey, GU19 5LL.