Grant Thornton

Financial statements D.C Leisure (Midlands) Limited

For the Year Ended 31 March 2010

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DC LEISURE

Developing Community Leisure

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 Statutory Auditor Grant Thornton House Melton Street London NW1 2EP

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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 2010

Principal activities

D C Leisure (Midlands) Limited was engaged in the management of leisure facilities The company ceased to trade on 28 April 2008

Business review and future developments

The directors have no plans to commence trading through this company 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 (2009 £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 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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,

- 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

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

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

S Dodd

S Dodd
Secretary
26 August 2010

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Independent auditor's report 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 2010 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 Sections 495 and 496 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 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, 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 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 March 2010 and of its result 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

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Independent auditor's report to the members of D.C Leisure (Midlands) 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 prepare the financial statements and the report of the directors in accordance with the small companies regime

Grant Thornton UK LLP

PERRY BURTON (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS

14 September 2010

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Profit and loss account

	Note	2010 £	2009 £
Turnover		–	138,688
Cost of sales		–	(104,210)
Gross profit		–	34,478
Other operating charges	2	–	(22,961)
Profit on ordinary activities before taxation		–	11,517
Tax on profit on ordinary activities	4	–	32
Profit for the financial year		–	11,549
Balance brought forward		**1,187,968**	1,176,419
Balance carried forward		**1,187,968**	1,187,968

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	2010 £	2009 £
Current assets			
Debtors	5	**1,240,895**	779,410
Cash at bank		**–**	499,817
		1,240,895	1,279,227
Creditors: amounts falling due within one year	6	**(52,827)**	(91,159)
Net current assets		**1,188,068**	1,188,068
Total assets less current liabilities		**1,188,068**	1,188,068
Capital and reserves			
Called-up equity share capital	8	**100**	100
Profit and loss account		**1,187,968**	1,187,968
Shareholders' funds	10	**1,188,068**	1,188,068

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 26 August 2010, and are signed on their behalf by

S Dodd
Director

Company Registration Number 2745079

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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

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

	2010 £	2009 £
Administrative expenses	–	22,961

3 Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Depreciation of owned fixed assets	–	310
Loss on disposal of fixed assets	–	5,484

None of the directors received any direct remuneration from the company for their services to the company during the current financial year (2009 nil)

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	-	(2,000)
Group relief receivable/payable	-	(1,810)
Total current tax	-	(3,810)
Deferred tax		
Origination and reversal of timing differences		
Capital allowances	-	3,778
Tax on profit on ordinary activities	-	(32)

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 the same as the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010	2009
	£	£
Profit on ordinary activities before taxation	-	11,517
Profit on ordinary activities by rate of tax	-	3,225
Capital allowances for period in excess of depreciation	-	(5,035)
Adjustments to tax charge in respect of previous periods	(1)	(2,000)
Group relief surrendered/(claimed) before payment	-	1,810
Payment/(receipt) for group relief	-	(1,810)
Unexplained difference	1	-
Total current tax (note 4(a))	-	(3,810)

5 Debtors

	2010	2009
	£	£
Amounts owed by group undertakings	1,240,895	776,810
Corporation tax repayable	–	2,000
VAT recoverable	–	600
	1,240,895	779,410

6 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	–	36,332
Amounts owed to group undertakings	–	54,827
Corporation tax	52,827	–
	52,827	91,159

7 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

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8 Share capital

Authorised share capital

	2010	2009
	£	£
100 Ordinary shares of £1 each	**100**	100

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
100 Ordinary shares of £1 each	**100**	**100**	100	100

9 Profit and loss account

	2010	2009
	£	£
Balance brought forward	**1,187,968**	1,176,419
Profit for the financial year	–	11,549
Balance carried forward	**1,187,968**	1,187,968

10 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	–	11,549
Opening shareholders' funds	**1,188,068**	1,176,519
Closing shareholders' funds	**1,188,068**	1,188,068

11 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

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