

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2012

WEDNESDAY



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COMPANIES HOUSE

Company Registration Number 3763413

The directors present their report and the audited financial statements for the group and company year ended 30 April 2012

Directors of the company

The directors who held office during the year were as follows

- Mr A W Brown
- Mr R F Sykes (retired 15 August 2011)
- Mrs S Brown
- Mr O Brown
- Mrs H Lord

Principal activity

The principal activity of the group is that of leisure centre operators and the provision of equestrian leisure services

Business review

In 2011 we significantly expanded the equestrian business by building new and additional riding arenas for events and one off hire. We also built and successfully opened "Soccer Burnley" a dedicated purpose built five-a-side facility with 5 outdoor floodlit pitches. Both operations opened in mid-August and therefore their considerable start-up costs and limited trading period have yet to influence last 2011/2012 numbers.

In June 2012 we commenced work on our new Spa operation, budgeted to cost £3.64 million. Following a 12 month study we believe the new Spa will be unrivalled in the North of England for its broad range and quality of facilities. Assuming the site is fully operational from January 2013 it will again have little positive impact on 2012/2013 financial trading, however in subsequent years we believe its impact will be extremely positive.

As always I am grateful to our staff who have made an enormous contribution to our success to date and help us cope with a demanding and highly competitive market.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank overdrafts and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Other loans comprise, in the main, loans from the directors. Whilst these are payable on demand, the directors have indicated that any repayment would not be demanded unless sufficient funds were available to meet such repayments.

Charitable donations

During the year the group made donations amounting to £nil (2011 - £10,000)

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2012

Results and dividend

The results for the group are set out in the financial statements

The directors do not recommend the payment of a dividend

Fixed assets

In the opinion of the directors no fixed assets have a significant difference in value between the book value reported and the market value

Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

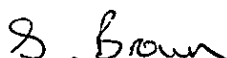
Reappointment of auditors

The auditors Cassons are deemed to be reappointed under section 487(2) of the Companies Act 2006

Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis

Approved by the Board and signed on its behalf by



Mrs S Brown
Director

Date 20th November 2012

ANDREW BROWN LEISURE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 30 APRIL 2012

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 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on a 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ANDREW BROWN LEISURE LIMITED

YEAR ENDED 30 APRIL 2012

We have audited the group financial statements of Andrew Brown Leisure Limited for the year ended 30 April 2012, set out on pages 6 to 19. 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 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 explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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 (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 the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report 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 group and company's affairs as at 30 April 2012 and of the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANDREW BROWN LEISURE LIMITED
YEAR ENDED 30 APRIL 2012

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

Carlton Cooper (Senior Statutory Auditor) for and on behalf of

Cassons, Statutory Auditor
St Crispin House
St Crispin Way
Haslingden
Lancashire
BB4 4PW

Date 21st November 2012

ANDREW BROWN LEISURE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 APRIL 2012**

| | Note | 2012 £ | 2011 £ |
|--|------|-----------------------|--------------------|
| Turnover | | 2,717,912 | 2,608,562 |
| Cost of sales | | <u>(1,229,208)</u> | <u>(1,137,025)</u> |
| Gross profit | | 1,488,704 | 1,471,537 |
| Administrative expenses | | <u>(1,304,497)</u> | <u>(1,315,979)</u> |
| Other operating income | 2 | <u>36,912</u> | <u>28,174</u> |
| Operating profit | 3 | 221,119 | 183,732 |
| Interest payable and similar charges | 5 | <u>(84,726)</u> | <u>(113,420)</u> |
| Profit on ordinary activities before taxation | | 136,393 | 70,312 |
| Tax on profit on ordinary activities | 6 | <u>(17,462)</u> | <u>(23,852)</u> |
| Profit for the financial year | 17 | <u>118,931</u> | <u>46,460</u> |

Turnover and operating profit derive wholly from continuing operation

The group has no recognised gains or losses for the year other than the results above

ANDREW BROWN LEISURE LIMITED
CONSOLIDATED BALANCE SHEET
YEAR ENDED 30 APRIL 2012

| | Note | 2012 £ | 2011 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 8 | <u>7,494,444</u> | <u>7,000,022</u> |
| | | 7,494,444 | 7,000,022 |
| Current assets | | | |
| Stocks | | 30,398 | 35,102 |
| Debtors | 10 | 217,781 | 200,643 |
| Cash at bank | | <u>5,514</u> | <u>4,205</u> |
| | | 253,693 | 239,950 |
| Creditors: amounts falling due within one year | 11 | <u>(2,459,623)</u> | <u>(2,211,836)</u> |
| Net current liabilities | | <u>(2,205,930)</u> | <u>(1,971,886)</u> |
| Total assets less current liabilities | | 5,288,514 | 5,028,136 |
| Creditors, amounts falling due After one year | 12 | (147,447) | - |
| Provisions for liabilities | 15 | <u>(231,000)</u> | <u>(237,000)</u> |
| Net assets | | <u>4,910,067</u> | <u>4,791,136</u> |
| Capital and reserves | | | |
| Called up share capital | 16 | 3,594,112 | 3,594,112 |
| Share premium account | 17 | 138,889 | 138,889 |
| Capital redemption reserve | 17 | 17,000 | 17,000 |
| Profit and loss account | 17 | <u>1,160,066</u> | <u>1,041,135</u> |
| Equity shareholders' funds | 18 | <u>4,910,067</u> | <u>4,791,136</u> |

Approved by the Board on 20th November 2012
and signed on its behalf

Mr O Brown
Director

Oliver Brown

Mr A W Brown
Director

[Signature]

ANDREW BROWN LEISURE LIMITED

COMPANY BALANCE SHEET

YEAR ENDED 30 APRIL 2012

| | Note | 2012 £ | £ | 2011 £ | £ |
|---|------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 7,213,240 | | 6,718,355 |
| Investments | 9 | | 2 | | 2 |
| | | | <u>7,213,242</u> | | <u>6,718,357</u> |
| Current assets | | | | | |
| Debtors | 10 | 395,007 | | 361,203 | |
| Creditors: amounts falling due within one year | 11 | <u>(2,774,157)</u> | | <u>(2,595,583)</u> | |
| Net current liabilities | | | <u>(2,379,150)</u> | | <u>(2,234,380)</u> |
| Total assets less current liabilities | | | 4,834,092 | | 4,483,977 |
| Creditors amounts falling due after more than one year | 12 | | (147,447) | | - |
| Provisions for liabilities | 15 | | <u>(217,000)</u> | | <u>(214,000)</u> |
| Net assets | | | <u>4,469,645</u> | | <u>4,269,977</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 3,594,112 | | 3,594,112 |
| Share premium account | 17 | | 138,889 | | 138,889 |
| Capital redemption reserve | 17 | | 17,000 | | 17,000 |
| Profit and loss account | 17 | | 719,644 | | 519,976 |
| Equity shareholders' funds | | | <u>4,469,645</u> | | <u>4,269,977</u> |

Approved by the Board on 20th November 2012
and signed on its behalf

Mr O Brown
Director

Oliver Brown

Mr A W Brown
Director

[Signature]

ANDREW BROWN LEISURE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2012

| | Note | 2012 £ | 2011 £ |
|---|-----------|------------------|------------------|
| Net cash flow from operating activities | 21 | 542,461 | 619,119 |
| Returns on investments and servicing of finance | 22 | (117,445) | (159,019) |
| Taxation paid | | (35,352) | (59,454) |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | | (796,751) | (635,572) |
| Sale of tangible fixed assets | | 6,800 | 20,750 |
| | | (789,951) | (614,822) |
| Cash outflow before management of liquid resources resources and financing | | (400,287) | (214,176) |
| Financing | | | |
| Value of new loan obtained during the year | | 499,999 | - |
| Net movement of loans | | 125,403 | (51,642) |
| | | 625,402 | (51,642) |
| Net cash inflow/(outflow) | | 225,115 | (265,818) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | Notes | 2012 £ | 2011 £ |
|--|-----------|--------------------|--------------------|
| Increase/(decrease) in cash in the year | | 225,115 | (265,818) |
| Cash inflow from decrease in debt | | (625,402) | 51,642 |
| Change in net debt resulting from cash flows | | (400,287) | (214,176) |
| Net debt at the start of the year | 23 | (1,597,390) | (1,383,214) |
| Net debt at the end of the year | 23 | (1,997,677) | (1,597,390) |

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries

Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected and useful economic life as follows

| | |
|-----------------------|---------------------------------|
| Leasehold property | 2% straight line basis |
| Leisure equipment | 20% straight line basis |
| Fixtures and fittings | 10%/20%/33% straight line basis |
| Motor vehicles | 25% straight line basis |

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

1 Accounting policies (continued)

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period they become payable in accordance with the rules of the scheme.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

| 2. Operating income | 2012 | 2011 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Rent receivable | 25,980 | 23,312 |
| Other income | 10,932 | 4,862 |
| | 36,912 | 28,174 |

3 Operating profit

Operating profit is stated after charging

| | | |
|---|----------------|----------------|
| Auditors' remuneration | 10,200 | 3,000 |
| Loss on sale of tangible fixed assets | 10,017 | 31,985 |
| Depreciation of owned tangible fixed assets | 285,512 | 295,731 |

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

4 a) Particulars of employees

The average number of persons employed by the group (including directors) during the year was as follows

| | 2012 | 2011 |
|------------------|-------------|-------------|
| | No | No |
| Management | 4 | 5 |
| Leisure staff | 65 | 58 |
| Equestrian staff | 10 | 8 |
| | <u>79</u> | <u>71</u> |
| | ===== | ===== |

The aggregate payroll costs of these persons were as follows

| | 2012 | 2011 |
|---------------------|------------------|----------------|
| | £ | £ |
| Wages and salaries | 977,190 | 895,688 |
| Social security | 51,756 | 65,549 |
| Other pension costs | 17,050 | 23,490 |
| | <u>1,045,996</u> | <u>984,727</u> |
| | ===== | ===== |

b) Directors' emoluments

The directors' emoluments for the year are as follows

| | 2012 | 2011 |
|--|----------------|----------------|
| | £ | £ |
| Directors' emoluments (including benefits in kind) | 102,104 | 119,159 |
| Directors' pension contributions | 17,050 | 23,490 |
| | <u>119,154</u> | <u>142,649</u> |
| | ===== | ===== |

During the period the number of directors who were accruing benefits under company pension schemes was as follows

| | 2012 | 2011 |
|----------------|-------------|-------------|
| | No | No |
| Money purchase | <u>2</u> | <u>2</u> |
| | ===== | ===== |

5. Interest payable and similar charges

| | 2012 | 2011 |
|-----------------------|---------------|----------------|
| | £ | £ |
| Bank interest payable | 7,239 | 2,810 |
| Loan interest | 77,487 | 110,610 |
| | <u>84,726</u> | <u>113,420</u> |
| | ===== | ===== |

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

| 6. Taxation | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Analysis of current period tax charge | | |
| Current tax | | |
| Corporation tax | 23,462 | 35,352 |
| Deferred tax | | |
| Deferred tax | (6,000) | (11,500) |
| Total tax on profit on ordinary activities | 17,462 | 23,852 |

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2011 – lower than) the standard rate of corporation tax in the UK of 20% (2011 – 21%)

The differences are reconciled below

| | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Profit on ordinary activities before taxation | 136,363 | 70,312 |
| Standard rate corporation tax charge | 27,279 | 14,766 |
| Expenses not deductible for tax purposes | 2,034 | 2,412 |
| Depreciation in excess of capital allowances | (5,851) | 18,312 |
| Change in tax rates | - | (138) |
| | 23,462 | 35,352 |

Factors affecting future tax charges

There are no factors affecting future tax charges

7. Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The profit dealt with in the financial statements of the company for the financial year is £199,668 (2011 - £99,616 loss)

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

8. Tangible fixed assets

| The Group | Land and buildings | Leisure centre equipment | Fixtures and fittings | Motor vehicles | Total |
|-------------------------|---------------------------|---------------------------------|------------------------------|-----------------------|--------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| As at 1 May 2011 | 7,877,834 | 439,925 | 666,629 | 54,951 | 9,039,339 |
| Additions | 654,851 | 53,183 | 77,222 | 11,495 | 796,751 |
| Disposals | (10,760) | (17,843) | (1,674) | (3,495) | (33,772) |
| As at 30 April 2012 | 8,521,925 | 475,265 | 742,177 | 62,951 | 9,802,318 |
| Depreciation | | | | | |
| As at 1 May 2011 | 1,228,563 | 277,508 | 514,021 | 19,225 | 2,039,317 |
| Charge for the year | 131,693 | 73,632 | 67,995 | 12,192 | 285,512 |
| Eliminated on disposals | (987) | (14,324) | (1,644) | - | (16,955) |
| As at 30 April 2012 | 1,359,269 | 336,816 | 580,372 | 31,417 | 2,307,874 |
| Net book value | | | | | |
| As at 30 April 2012 | 7,162,656 | 138,449 | 161,805 | 31,534 | 7,494,444 |
| As at 30 April 2011 | 6,649,271 | 162,417 | 152,608 | 35,726 | 7,000,022 |

Fully depreciated assets

Included at cost within leisure centre equipment is £101,769 (2011 - £98,949), fixtures and fittings £402,668 (2011 - £96,492) and motor vehicles £13,051 (2011 - £6,446) of fully depreciated assets

| The Company | Land and buildings | Fixtures and fittings | Motor vehicles | Total |
|-------------------------|---------------------------|------------------------------|-----------------------|--------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| As at 1 May 2011 | 7,877,834 | 162,838 | 46,680 | 8,087,352 |
| Additions | 654,851 | 12,962 | - | 667,813 |
| Disposals | (10,760) | (474) | - | (11,234) |
| As at 30 April 2012 | 8,521,925 | 175,326 | 46,680 | 8,743,931 |
| Depreciation | | | | |
| As at 1 May 2011 | 1,228,563 | 128,931 | 11,503 | 1,368,997 |
| Charge for the year | 131,693 | 20,987 | 10,475 | 163,155 |
| Eliminated on disposals | (987) | (474) | - | (1,461) |
| As at 30 April 2012 | 1,359,269 | 149,444 | 21,978 | 1,530,691 |
| Net book value | | | | |
| As at 30 April 2012 | 7,162,656 | 25,882 | 24,702 | 7,213,240 |
| As at 30 April 2011 | 6,649,271 | 33,907 | 35,177 | 6,718,355 |

Included at cost within fixtures and fittings is £94,940 (2011 - £54,572) and motor vehicles £4,780 (2011 - £4,780) of fully depreciated assets

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

9. Investments held as fixed assets – the company

| | Group shares | |
|--|---------------------|-------------|
| | 2012 | 2011 |
| Investments in subsidiary undertakings | <u>2</u> | <u>2</u> |

The following companies are wholly owned subsidiaries, incorporated in England

| | |
|------------------------------|---|
| Crow Wood Leisure Limited | Leisure centre operators |
| Crow Wood Equestrian Limited | Equestrian leisure services and livery services |

10. Debtors

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Trade debtors | 29,928 | 18,266 | - | - |
| Prepayments and accrued income | 187,853 | 182,377 | 2,998 | 4,936 |
| Amounts owed by group undertakings | - | - | 392,009 | 356,267 |
| | <u>217,781</u> | <u>200,643</u> | <u>395,007</u> | <u>361,203</u> |

All debtors fall due within one year of the balance sheet date

11. Creditors. amounts falling due Within one year

| | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|
| Bank loans and overdrafts | 689,751 | 664,077 | 685,132 | 635,534 |
| Trade creditors | 267,920 | 397,560 | 51,125 | 200,180 |
| Amounts owed to group undertakings | - | - | 792,505 | 681,666 |
| Corporation tax | 23,462 | 35,352 | - | - |
| Social security and other taxes | 102,629 | 6,578 | 568 | - |
| Other creditors | 8,292 | 59,168 | 6,943 | 58,643 |
| Directors current accounts | 1,165,993 | 885,818 | 1,165,993 | 885,818 |
| Accruals and deferred income | 201,576 | 163,283 | 71,891 | 133,742 |
| | <u>2,459,623</u> | <u>2,211,836</u> | <u>2,774,157</u> | <u>2,595,583</u> |

12 Creditors. amounts falling due after more than one year

| | | | | |
|------------|----------------|----------|----------------|----------|
| Bank loans | <u>147,447</u> | <u>-</u> | <u>147,447</u> | <u>-</u> |
|------------|----------------|----------|----------------|----------|

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

13 Security of borrowings

The bank facilities are secured by way of debentures over all group companies and a legal charge over the company's property

The directors' current accounts are unsecured, have no repayment date and interest is charged at a commercial rate

14 Derivatives

The company has no financial instruments that fall to be classified as derivatives

15 Provision for liabilities – Deferred tax

| | Group 2012 | Company 2012 |
|--|-----------------------|-------------------------|
| As at 1 May 2011 | 237,000 | 214,000 |
| Deferred tax provision credited to the profit and loss account | (6,000) | 3,000 |
| As at 30 April 2012 | <u>231,000</u> | <u>217,000</u> |

The provision for deferred taxation is made up of accelerated capital allowances

16. Share capital

Allotted called up and fully paid

| | | |
|--------------------------------------|-------------------------|-------------------------|
| Equity | | |
| 3,594,112 Ordinary shares of £1 each | <u>3,594,112</u> | <u>3,594,112</u> |

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

| 17 Reserves | Share premium account £ | Capital redemption reserve £ | Profit and loss account £ | Total £ |
|--|------------------------------------|---|--------------------------------------|--------------------|
| Group | | | | |
| Balance at 1 May 2011 | 138,889 | 17,000 | 1,041,135 | 1,197,024 |
| Transfer from profit and loss account for the year | - | - | 118,931 | 118,931 |
| Balance at 30 April 2012 | <u>138,889</u> | <u>17,000</u> | <u>1,160,066</u> | <u>1,315,955</u> |

| | Share premium reserve £ | Capital redemption reserve £ | Profit and loss account £ | Total £ |
|--|------------------------------------|---|--------------------------------------|--------------------|
| Company | | | | |
| Balance at 1 May 2011 | 138,889 | 17,000 | 519,976 | 675,865 |
| Transfer from profit and loss account for the year | - | - | 199,668 | 199,668 |
| Balance at 30 April 2012 | <u>138,889</u> | <u>17,000</u> | <u>719,644</u> | <u>875,533</u> |

18 Consolidated reconciliation of movements in shareholders' funds

| | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Profit attributable to members of the group | 118,931 | 46,460 |
| Opening equity shareholders' funds | 4,791,136 | 4,744,676 |
| Closing equity shareholders' funds | 4,910,067 | 4,791,136 |

19. Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £17,050 (2011 - £23,490).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

20. Contingent liabilities

The group's bankers hold a composite guarantee securing the bank borrowings of the group companies. At 30 April 2012 the total bank borrowings of the group amounted to £832,759 (2011 - £635,534).

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

| 21. Reconciliation of operating profit to operating cash flows | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Operating profit | 221,119 | 183,732 |
| Depreciation and amortisation | 285,512 | 295,731 |
| Loss on disposal of fixed assets | 10,017 | 31,985 |
| Decrease/(increase) in stock | 4,704 | (3,433) |
| (Increase)/decrease in debtors | (17,138) | 13,832 |
| Increase in creditors | 38,247 | 97,272 |
| Net cash inflow from operating activities | 542,461 | 619,119 |

22 Analysis of cash flows

Returns on investment and servicing of finance

| | | |
|---------------------|------------------|------------------|
| Bank interest paid | (7,239) | (2,810) |
| Other interest paid | (110,206) | (156,209) |
| | (117,445) | (159,019) |

23. Analysis of net debt

| | At start of period £ | Cash flow £ | At end of Period £ |
|-----------------------------------|-------------------------------------|------------------------|-----------------------------------|
| Cash at bank and in hand | 4,205 | 1,309 | 5,514 |
| Bank overdraft | (664,077) | 223,806 | (440,271) |
| Cash and bank net debt | (659,872) | 225,115 | (434,757) |
| Debt due within one year | (937,518) | (477,955) | (1,415,473) |
| Debt due after more than one year | - | (147,447) | (147,447) |
| Change in debt | (1,597,390) | (400,287) | (1,997,677) |

24. Other matters

- a) The company is part of a group registration for VAT purposes. At the year end the outstanding VAT liability was £86,263 (2011 - £6,578) payable by a subsidiary company.

25. Capital commitments

At the year end the group had capital commitments of £3,640,000 (2011 - £300,000) in respect of the development of the Spa facilities (2011 - £300,000 in respect of the equestrian facilities and the construction of the new Soccer centre) which were contracted for but not provided for in these financial statements.

ANDREW BROWN LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2012

26 Related parties

Controlling entity

Mr A W Brown is the ultimate controlling party

Related party transactions

During the year interest of £67,740 (2011 - £108,460) was charged to the company in respect of the loan from Mr & Mrs A W Brown. At the year end £67,341 (2011 - £100,060) of this interest is included within accruals and deferred income.

During the year interest of £6,000 (2011 - £nil) was charged to the company in respect of the loan from Mr O Brown.

At the year end the company owed £nil (2011 - £51,700) to the Oliver Brown Trust, a Trust of which Mr & Mrs A W Brown are Trustees. During the year interest of £1,500 (2011 - £2,150) was paid to the Trust.

Director's loan account

The balance owed to the following directors was outstanding at the year end

| | 2012 £ | 2011 £ |
|---------------|------------------|----------------|
| A W & S Brown | 974,076 | 885,818 |
| O Brown | 191,917 | - |
| | <u>1,165,993</u> | <u>885,818</u> |