

ANDREW BROWN LEISURE LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2014

Registration number: 03763413

The directors present their report and the consolidated financial statements for the year ended 30 April 2014.

Directors of the company

The directors who held office during the year were as follows:

Mr AW Brown

Mrs S Brown

Mr O Brown

Mrs HA Lord

Principal activity

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

Financial instruments

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

The business' principal financial instruments comprise bank balances, bank loans and overdrafts, trade debtors, trade creditors, other loans and hire purchase obligations to the business. The main purpose of these instruments is to finance the business' operations and the development of its facilities.

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 group bank borrowings are variable interest loan arrangements, with an interest rate swap fixing the rate in respect of some of the loan borrowings.

Trade debtors are managed in respect of credit and cash flow risk in policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditors risk is managed by ensuring sufficient funds are available to meet amounts due.

Other loans comprise, in the main, loans from the directors. The majority of these balances are repayable in more than one year.

Hire purchase obligations are taken out at fixed rates.

Results and dividends

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

The directors do not recommend the payment of a dividend.

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 group'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.



ANDREW BROWN LEISURE LIMITED

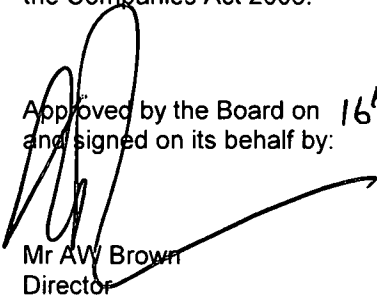
DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2014

Reappointment of auditors

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

Approved by the Board on 16th September 2014
and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'AW Brown', with a long horizontal stroke extending to the right.

Mr AW Brown
Director

ANDREW BROWN LEISURE LIMITED

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2014

Business review

Fair review of the business

The last four years have seen constant investment in the business. The emphasis has always been to build top-class, all-weather facilities which can withstand our, at times uncompromising climate.

Last year we commissioned and successfully opened our new Spa operations (www.thewoodlandspa.com) and Bertrams restaurant. The initial start-up costs have all been absorbed in the prior year's accounts and the business is still seeing a significant sales growth, against last years numbers. The Spa in particular has been recognised, quite rightly as offering a "world class" experience and despite being in its first year of operation has been voted "Britain's best day Spa", an incredible achievement.

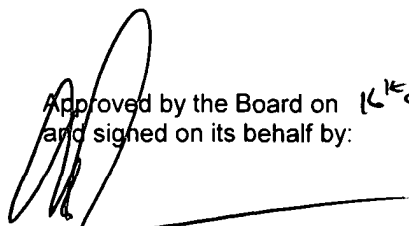
During our next financial year we will consolidate our existing operations and reap the benefits of greater sales at higher gross margins. Already in this financial year just completed our EBITDA is running at £855,092 per annum.

Construction is well under way on two additional 7-a-side, floodlit, all weather football pitches which will be brought on stream in September 2014.

We look forward to our operations generating a significant increase in retained earnings in the forthcoming year and view the future with confidence.

As always I am greatly indebted to our team of Directors, managers and staff for their loyalty, enthusiasm and commitment to our shared objectives, to retain our position as East Lancs best Health Club and Leisure destination.

Approved by the Board on
and signed on its behalf by:



Mr A.W Brown
Director

16th September 2014

ANDREW BROWN LEISURE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 APRIL 2014

The directors are responsible for preparing the Directors' Report, Strategic 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 group and the company and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANDREW BROWN LEISURE LIMITED
YEAR ENDED 30 APRIL 2014**

We have audited the group and parent company financial statements ("the financial statements") of Andrew Brown Leisure Limited for the year ended 30 April 2014, set out on pages 7 to 24. 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 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

As explained more fully in the Statement of Directors' Responsibilities (set out on page 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 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 group's and parent 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 and Strategic 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's and of the parent company's affairs as at 30 April 2014 and of the group's 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 and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANDREW BROWN LEISURE LIMITED
YEAR ENDED 30 APRIL 2014**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 business advisers LLP, Statutory Auditor
St Crispin House
St Crispin Way
Haslingden
Rossendale
Lancashire
BB4 4PW

Date: 18th September 2014

ANDREW BROWN LEISURE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2014

	Note	2014 £	2013 £
Turnover		4,463,066	2,950,337
Cost of sales		<u>(2,316,778)</u>	<u>(1,484,301)</u>
Gross profit		2,146,288	1,466,036
Administrative expenses		(1,736,598)	(1,388,532)
Exceptional expenses	4	-	(62,371)
Other operating income		<u>63,686</u>	<u>40,985</u>
Group operating profit	2	473,376	56,118
Other interest receivable and similar income		181	-
Interest payable and similar charges	7	<u>(188,509)</u>	<u>(111,663)</u>
Profit/(loss) on ordinary activities before taxation		285,048	(55,545)
Tax on profit/(loss) on ordinary activities	8	<u>(116,271)</u>	<u>28,729</u>
Profit/(loss) for the financial year attributable to members of the parent company	20	<u>168,777</u>	<u>(26,816)</u>

Turnover and operating profit derive wholly from continuing operations.

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

ANDREW BROWN LEISURE LIMITED
CONSOLIDATED BALANCE SHEET
30 APRIL 2014

	Note	2014	2013
Fixed assets			
Tangible fixed assets	10	<u>11,760,496</u>	<u>11,476,697</u>
Current assets			
Stocks		72,326	110,960
Debtors	12	379,545	291,902
Cash at bank and in hand		<u>5,732</u>	<u>5,469</u>
		457,603	408,331
Creditors: Amounts falling due within one year	13	<u>(2,183,062)</u>	<u>(1,850,505)</u>
Net current liabilities		<u>(1,725,459)</u>	<u>(1,442,174)</u>
Total assets less current liabilities		10,035,037	10,034,523
Creditors: Amounts falling due after more than one year	14	<u>(4,362,009)</u>	<u>(4,638,772)</u>
Provisions for liabilities	18	<u>(371,000)</u>	<u>(262,500)</u>
Net assets		<u>5,302,028</u>	<u>5,133,251</u>
Capital and reserves			
Called up share capital	19	3,743,812	3,743,812
Share premium account	20	239,189	239,189
Capital redemption reserve	20	17,000	17,000
Profit and loss account	20	<u>1,302,027</u>	<u>1,133,250</u>
Shareholders' funds	21	<u>5,302,028</u>	<u>5,133,251</u>

Approved by the Board on 16th September 2014
and signed on its behalf by:

Mr AW Brown
Director

Mr O Brown
Director

Oliver Brown

ANDREW BROWN LEISURE LIMITED
CONSOLIDATED BALANCE SHEET
30 APRIL 2014

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Current assets			
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Approved by the Board on
and signed on its behalf by:

Mr AW Brown
Director

Mr O Brown
Director

Oliver Brown

ANDREW BROWN LEISURE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 2014

Reconciliation of operating profit to net cash flow from operating activities

	2014	2013
	£	£
Operating profit	473,376	56,118
Depreciation, amortisation and impairment charges	458,327	268,108
(Profit)/loss on disposal of fixed assets	(50,211)	3,970
Decrease/(increase) in stocks	38,634	(80,562)
Increase in debtors	(147,872)	(13,892)
Increase in creditors	331,869	284,567
Receipt/release of government grants	(36,400)	364,000
Net cash inflow from operating activities	<u>1,067,723</u>	<u>882,309</u>

Cash flow statement

	2014	2013
	£	£
Net cash inflow from operating activities	<u>1,067,723</u>	<u>882,309</u>
Returns on investments and servicing of finance		
Interest received	181	-
HP and finance lease interest	(3,612)	(533)
Interest paid	<u>(222,531)</u>	<u>(117,937)</u>
	<u>(225,962)</u>	<u>(118,470)</u>
Tax received/(paid)	<u>52,458</u>	<u>(23,462)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(763,765)	(4,270,322)
Sale of tangible fixed assets	71,850	15,991
	<u>(691,915)</u>	<u>(4,254,331)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>202,304</u>	<u>(3,513,954)</u>
Financing		
Value of new loans obtained during the period	-	3,497,000
Repayment of loans and borrowings	(106,784)	(220,640)
Issue of shares	-	250,000
Repayment of capital element of finance leases and HP contracts	<u>2,646</u>	<u>63,109</u>
	<u>(104,138)</u>	<u>3,589,469</u>
Increase in cash	<u>98,166</u>	<u>75,515</u>

ANDREW BROWN LEISURE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 2014

Reconciliation of net cash flow to movement in net debt

	Note	2014 £	2013 £
Increase in cash		98,166	75,515
Cash inflow from increase in loans		-	(3,497,000)
Cash outflow from repayment of loans		106,784	220,640
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>(2,646)</u>	<u>(63,109)</u>
Change in net debt resulting from cash flows	25	<u>202,304</u>	<u>(3,263,954)</u>
 Movement in net debt	25	202,304	(3,263,954)
Net debt at 1 May 2013	25	<u>(5,261,631)</u>	<u>(1,997,677)</u>
Net debt at 30 April 2014	25	<u><u>(5,059,327)</u></u>	<u><u>(5,261,631)</u></u>

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

1 Accounting policies

Basis of preparation

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

Basis of consolidation

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

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

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 useful economic life. Depreciation is not charged on assets acquired in the year. Depreciation rates are as follows:

Buildings	2% straight line basis
Fixtures, fittings and equipment	5-33% 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 tax

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 the 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 CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

Hire purchase and leasing

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Pensions

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which 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 group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group 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 profit

Operating profit is stated after charging:

	2014 £	2013 £
(Profit)/loss on sale of tangible fixed assets	(50,211)	3,970
Depreciation	458,327	268,108
Amortisation of government grant	(36,400)	-
Auditor's remuneration	<u>34,418</u>	<u>18,641</u>

3 Auditor's remuneration

	2014 £	2013 £
Audit of the financial statements	<u>5,220</u>	<u>4,800</u>
Fees payable to the group's auditor and its associates for other services:		
The audit of the company's subsidiaries' annual accounts	4,400	4,200
Other services	<u>24,798</u>	<u>9,641</u>
	<u>29,198</u>	<u>13,841</u>
	<u>34,418</u>	<u>18,641</u>

4 Exceptional items

	2014 £	2013 £
New spa and restaurant set up costs	<u>-</u>	<u>62,371</u>

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

5 Particulars of employees

The average number of persons employed by the group (including directors and part time staff) during the year, analysed by category was as follows:

	2014 No.	2013 No.
Management	4	4
Leisure staff	131	84
Equestrian staff	10	11
	<u>145</u>	<u>99</u>

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	1,626,509	1,153,823
Social security costs	79,564	74,077
Staff pensions	16,000	12,000
	<u>1,722,073</u>	<u>1,239,900</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £	2013 £
Remuneration (including benefits in kind)	58,970	77,037
Company contributions paid to money purchase schemes	<u>16,000</u>	<u>12,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

7 Interest payable and similar charges

	2014 £	2013 £
Interest on bank borrowings	151,558	78,760
Interest on other loans	33,339	32,370
Finance charges	3,612	533
	<u>188,509</u>	<u>111,663</u>

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

8 Taxation

Tax on profit/(loss) on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax credit	-	(60,229)
Adjustments in respect of previous years	<u>7,771</u>	<u>-</u>
UK Corporation tax	7,771	(60,229)
Deferred tax		
Origination and reversal of timing differences	<u>108,500</u>	<u>31,500</u>
Total tax on profit/(loss) on ordinary activities	<u><u>116,271</u></u>	<u><u>(28,729)</u></u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%).

The differences are reconciled below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before taxation	<u>285,048</u>	<u>(55,545)</u>
Corporation tax at standard rate	57,010	(11,109)
Difference between depreciation and capital allowances	(94,346)	(145,764)
Non taxable income	(7,280)	-
Expenses not deductible	702	34
Underprovision in prior year	7,771	-
Difference between tax rate and ECA credit rate	-	1,935
Losses carried forward	<u>43,914</u>	<u>94,675</u>
Total current tax	<u><u>7,771</u></u>	<u><u>(60,229)</u></u>

Factors that may affect future tax charges

The group has taxable trading losses of £891,148 (2013 - £723,291) to carry forward and offset against any future profits it may earn.

The group has capital losses of £7,707 (2013 - £7,707) to offset against any future capital profits.

9 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 £88,886 (2013 - £146,940).

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

10 Tangible fixed assets

Group

	Land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2013	9,562,984	4,359,947	77,686	14,000,617
Additions	79,168	624,618	59,979	763,765
Disposals	-	(58,042)	(38,400)	(96,442)
At 30 April 2014	<u>9,642,152</u>	<u>4,926,523</u>	<u>99,265</u>	<u>14,667,940</u>
Depreciation				
At 1 May 2013	1,494,569	994,910	34,441	2,523,920
Charge for the year	175,472	266,458	16,397	458,327
Eliminated on disposals	-	(56,002)	(18,801)	(74,803)
At 30 April 2014	<u>1,670,041</u>	<u>1,205,366</u>	<u>32,037</u>	<u>2,907,444</u>
Net book value				
At 30 April 2014	<u>7,972,111</u>	<u>3,721,157</u>	<u>67,228</u>	<u>11,760,496</u>
At 30 April 2013	<u>8,068,415</u>	<u>3,365,037</u>	<u>43,245</u>	<u>11,476,697</u>

Included at cost within fixtures, fittings and equipment is £829,686 (2013 - £621,510) and motor vehicles £17,385 (2013 - £17,385) of fully depreciated assets.

Hire purchase and finance lease assets

Included within the net book value of tangible fixed assets is £83,398 (2013 - £65,277) in respect of assets held under hire purchase or finance lease agreements. Depreciation for the year on these assets was £16,679 (2013 - £2,400).

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

Company

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2013	8,910,579	1,855,783	63,081	10,829,443
Additions	57,904	443,589	20,210	521,703
Disposals	-	(58,042)	(30,400)	(88,442)
At 30 April 2014	<u>8,968,483</u>	<u>2,241,330</u>	<u>52,891</u>	<u>11,262,704</u>
Depreciation				
At 1 May 2013	1,494,569	163,144	24,668	1,682,381
Charge for the year	162,422	96,436	12,243	271,101
Eliminated on disposals	-	(56,002)	(14,467)	(70,469)
At 30 April 2014	<u>1,656,991</u>	<u>203,578</u>	<u>22,444</u>	<u>1,883,013</u>
Net book value				
At 30 April 2014	<u>7,311,492</u>	<u>2,037,752</u>	<u>30,447</u>	<u>9,379,691</u>
At 30 April 2013	<u>7,416,010</u>	<u>1,692,639</u>	<u>38,413</u>	<u>9,147,062</u>

Included at cost within fixtures, fittings and equipment is £92,172 (2013 - £117,598) and motor vehicles £10,780 (2013 - £10,780) of fully depreciated assets.

Hire purchase and finance lease assets

Included within the net book value of tangible fixed assets is £39,000 (2013 - £12,000) in respect of assets held under hire purchase or finance lease agreements. Depreciation for the year on these assets was £7,800 (2013 - £2,400).

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

11 Investments held as fixed assets

Company

	2014 £	2013 £
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Crow Wood Leisure Limited	Ordinary	100%	Leisure centre and restaurant operators
Crow Wood Equestrian	Ordinary	100%	Equestrian leisure services and livery services

12 Debtors

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	51,982	32,206	2,764	302
Amounts owed by group undertakings	-	-	2,616,759	2,563,154
Other debtors	70,963	60,229	70,964	-
Prepayments and accrued income	256,600	199,467	5,727	3,380
	<u>379,545</u>	<u>291,902</u>	<u>2,696,214</u>	<u>2,566,836</u>

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

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

13 Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	422,883	439,727	414,479	378,276
Other loans	74,872	70,663	74,872	70,663
Obligations under finance lease and hire purchase contracts	27,434	22,394	12,534	7,495
Trade creditors	679,706	508,081	299,573	121,541
Amounts owed to group undertakings	-	-	1,063,638	882,778
Other taxes and social security	183,455	99,139	1,805	1,830
Other creditors	11,023	13,900	6,943	6,943
Directors' current accounts	469,061	439,544	469,061	439,544
Accruals and deferred income	314,628	257,057	90,557	100,656
	<u>2,183,062</u>	<u>1,850,505</u>	<u>2,433,462</u>	<u>2,009,726</u>

14 Creditors: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	2,954,753	3,099,346	2,954,753	3,099,345
Other loans	159,528	236,504	159,528	236,504
Obligations under finance lease and hire purchase contracts	38,321	40,715	24,286	12,033
Directors' current accounts	918,207	918,207	918,207	918,207
Deferred grant	291,200	344,000	291,200	344,000
	<u>4,362,009</u>	<u>4,638,772</u>	<u>4,347,974</u>	<u>4,610,089</u>

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
After more than five years by instalments	-	2,566,766	-	2,566,766

The bank loan is repayable in quarterly instalments of £71,056. The loan is subject to interest at 3.5% above LIBOR and is repayable by August 2017.

15 Obligations under hire purchase and finance lease agreements

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
In one year or less on demand	27,434	22,394	12,534	7,495
Between one and two years	26,494	22,393	12,459	7,494
Between two and five years	11,827	18,322	11,827	4,539
	<u>65,755</u>	<u>63,109</u>	<u>36,820</u>	<u>19,528</u>

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

16 Security of borrowings

The bank loans and overdrafts are secured by way of debentures over all group companies and a legal charge over the company's property. Additionally the bank have taken a charge over life policies executed by the company over the lives of certain directors.

The directors' current accounts are unsecured and interest is charged at an agreed rate. The bank have taken a charge upon £918,207 of the directors loans.

The other loan is unsecured and interest is charged at a commercial rate.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

17 Derivatives

The group and parent company hold financial instruments that qualify as derivatives in order to manage its interest rates arising from its spa development. At the year end the group and company had a swap facility in respect of £1,000,000 of its bank borrowings fixing the interest rate at 4.82% until August 2017.

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

18 Provisions

Group

	Deferred tax £	Total £
At 1 May 2013	262,500	262,500
Charged to the profit and loss account	<u>108,500</u>	<u>108,500</u>
At 30 April 2014	<u><u>371,000</u></u>	<u><u>371,000</u></u>

Analysis of deferred tax

	2014 £	2013 £
Difference between depreciation and capital allowances	540,000	356,000
Tax losses carried forward	<u>(169,000)</u>	<u>(93,500)</u>
	<u><u>371,000</u></u>	<u><u>262,500</u></u>

Company

	Deferred tax £	Total £
At 1 May 2013	227,500	227,500
Charged to the profit and loss account	<u>111,500</u>	<u>111,500</u>
At 30 April 2014	<u><u>339,000</u></u>	<u><u>339,000</u></u>

Analysis of deferred tax

	2014 £	2013 £
Accelerated capital allowances	384,000	249,000
Tax losses carried forward	<u>(45,000)</u>	<u>(21,500)</u>
	<u><u>339,000</u></u>	<u><u>227,500</u></u>

19 Share capital

Allotted, called up and fully paid shares

	No.	2014 £	No.	2013 £
Equity Ordinary shares of £1 each	<u>3,743,812</u>	<u>3,743,812</u>	<u>3,743,812</u>	<u>3,743,812</u>

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

20 Reserves

Group

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 2013	239,189	17,000	1,133,250	1,389,439
Profit for the year	-	-	168,777	168,777
At 30 April 2014	<u>239,189</u>	<u>17,000</u>	<u>1,302,027</u>	<u>1,558,216</u>

Company

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 2013	239,189	17,000	866,584	1,122,773
Profit for the year	-	-	88,886	88,886
At 30 April 2014	<u>239,189</u>	<u>17,000</u>	<u>955,470</u>	<u>1,211,659</u>

21 Reconciliation of movement in shareholders' funds

Group

	2014 £	2013 £
Profit/(loss) attributable to the members of the group	168,777	(26,816)
New share capital subscribed	-	250,000
Net addition to shareholders' funds	168,777	223,184
Shareholders' funds at 1 May 2013	5,133,251	4,910,067
Shareholders' funds at 30 April 2014	<u>5,302,028</u>	<u>5,133,251</u>

Company

	2014 £	2013 £
Profit attributable to the members of the company	88,886	146,940
New share capital subscribed	-	250,000
Net addition to shareholders' funds	88,886	396,940
Shareholders' funds at 1 May 2013	4,866,585	4,469,645
Shareholders' funds at 30 April 2014	<u>4,955,471</u>	<u>4,866,585</u>

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

22 Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £16,000 (2013 - £12,000).

23 Contingent liabilities

The group's bankers hold a composite guarantee securing the bank borrowings of the group companies. At 30 April 2014 the total bank borrowings of the group amounted to £3,330,283 (2013 - £3,450,215).

24 Other matters

The company is part of a group registration for VAT purposes. At the year end the outstanding VAT liability of the group was £91,624 (2013 - £77,673).

25 Analysis of net debt

	At 1 May 2013 £	Cash flow £	At 30 April 2014 £
Cash at bank and in hand	5,469	263	5,732
Bank overdraft	(364,711)	97,903	(266,808)
	<u>(359,242)</u>	<u>98,166</u>	<u>(261,076)</u>
Debt due within one year	(585,223)	(114,785)	(700,008)
Debt due after more than one year	(4,254,057)	221,569	(4,032,488)
Finance leases and hire purchase contracts	(63,109)	(2,646)	(65,755)
Net debt	<u>(5,261,631)</u>	<u>202,304</u>	<u>(5,059,327)</u>

26 Related party transactions

During the year the group and company made the following related party transactions:

Mr & Mrs A W Brown

Directors and shareholders

During the year interest of £10,341 (2013 - £nil) was credited to the company in respect of the loan from Mr & Mrs A W Brown. At the year end £19,000 (2013 - £58,341) of accrued interest is included within accruals and deferred income.

At the balance sheet date the amount due to Mr & Mrs A W Brown was £1,010,760 (2013 - £964,482).

Mr O Brown

Director and shareholder

During the year interest of £29,900 (2013 - £25,193) was charged to the company in respect of the loan from Mr O Brown. At the year end £3,900 (2013 - £2,193) of accrued interest is included within accruals and deferred income.

At the balance sheet date the amount due to Mr O Brown was £376,508 (2013 - £393,269).

ANDREW BROWN LEISURE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

27 Control

The company is controlled by Mr A W Brown.