

**COPY FOR THE REGISTRAR OF
COMPANIES**

ACAD HOLDINGS LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

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COMPANIES HOUSE

ACAD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Silver T Silver
Secretary	A L Hicks
Company number	05677471
Registered office	The Academy Oakdale Place Harrogate North Yorkshire HG1 2LA
Registered auditor	Baker Tilly UK Audit LLP 2 Whitehall Quay Leeds LS1 4HG

ACAD HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Financial risk management objectives and policies

The group's operations expose it to certain financial risks including the effects of changes in interest rates on debt, a certain element of credit risk, liquidity risk and cash flow risk. Although there is no formal policy to manage these risks given the size of the group, the directors are constantly monitoring the position of the group including these risks in their day to day management and as such seek to minimise the risks wherever possible. The main risks are analysed below:

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

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. 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.

Trade debtors are managed in respect of credit and cash flow risk by 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' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are largely fixed in nature. The business manages liquidity risk by ensuring that there are sufficient funds to meet the payments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

Business environment

According to the latest industry surveys, the fitness sector in the UK remains highly competitive, with the fastest growth coming from low cost gyms. Industry revenue is expected to increase at a compound annual rate of 0.8% over the next five years.

Strategy

The group's main objective is to sustain and grow current levels of membership, whilst reducing costs. The directors are determined to make the business more efficient and therefore more profitable.

Future developments

In depth reviews of the group's operations continue, with opportunities identified to increase secondary spend revenues in a sustainable way. The group will continue to work with its partners to reduce overheads and increase efficiencies.

On behalf of the board



M Silver

Director

Date: 18 May 2015

ACAD HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the group is the operation of health clubs through subsidiary undertakings. A further subsidiary is a management, investment and property company.

Results and dividends

Group turnover for the year rose by 1% to £2.56 million (2013 - £2.55 million), reflecting a small change in membership numbers. The group's operations remain subject to the recessionary economic environment with discretionary spending still subdued. Close control was maintained over staffing: there was a 1% increase in average employees and overall staff costs fell slightly (including directors' emoluments). Non salary overheads increased by approximately 5%. As a result, the group reports an operating profit for the year of £22,170 (2013 - £36,551). The group's trading loss for the year, after taxation, was £68,867 (2013 loss £33,007).

The group undertook a major refurbishment of its fitness facilities during 2014, investing in state-of-the-art gym equipment and upgrading the training environment.

Directors

The following directors have held office since 1 January 2014:

M Silver
T Silver

Auditor

Baker Tilly UK Audit LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

On behalf of the board

M Silver
Director

Date: 18 May 2015

ACAD HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Strategic Report, 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 group 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACAD HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 5 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 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 more fully explained in the Directors' Responsibilities Statement 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's loss 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Baker Tilly UK Audit LLP

Alan Dunwell (Senior Statutory Auditor)
for and on behalf of, Baker Tilly UK Audit LLP, Statutory Auditor

Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Date: 22.5.15

ACAD HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	2,561,856	2,545,051
Cost of sales		(62,528)	(70,374)
Gross profit		2,499,328	2,474,677
Administrative expenses		(2,486,872)	(2,438,126)
Other operating income		9,714	-
Operating profit		22,170	36,551
Interest receivable and similar income		1,184	1,138
Interest payable and similar charges	4	(71,081)	(60,420)
Loss on ordinary activities before taxation		(47,727)	(22,731)
Tax on loss on ordinary activities	7	(21,140)	(10,276)
Loss on ordinary activities after taxation		(68,867)	(33,007)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ACAD HOLDINGS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Tangible assets	9	5,156,085	5,221,009	-	-
Investments	10	-	-	5,451,646	5,451,646
		<u>5,156,085</u>	<u>5,221,009</u>	<u>5,451,646</u>	<u>5,451,646</u>
Current assets					
Stocks	11	38,337	35,680	-	-
Debtors	12	151,954	152,230	-	-
Cash at bank and in hand		164,365	190,319	-	-
		<u>354,656</u>	<u>378,229</u>	<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	13	(2,091,962)	(864,974)	-	-
Net current liabilities		<u>(1,737,306)</u>	<u>(486,745)</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>3,418,779</u>	<u>4,734,264</u>	<u>5,451,646</u>	<u>5,451,646</u>
Creditors: amounts falling due after more than one year	14	(568,808)	(1,836,566)	-	-
Provisions for liabilities	15	(70,117)	(48,977)	-	-
Net assets		<u>2,779,854</u>	<u>2,848,721</u>	<u>5,451,646</u>	<u>5,451,646</u>
Capital and reserves					
Called up share capital	17	4,300,000	4,300,000	4,300,000	4,300,000
Profit and loss account	18	(1,520,146)	(1,451,279)	1,151,646	1,151,646
Shareholders' funds	19	<u>2,779,854</u>	<u>2,848,721</u>	<u>5,451,646</u>	<u>5,451,646</u>

The financial statements on pages 5 to 19 were approved by the Board of Directors and authorised for issue on 18 May 2015 and are signed on its behalf by:

M Silver
Director



ACAD HOLDINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 £	2013 £
Net cash inflow from operating activities	20	195,998	239,554
Returns from investment and servicing of finance	20	(69,897)	(59,282)
Taxation		(361)	-
Capital expenditure and financial investment	20	(119,369)	(97,822)
Cash inflow before management of liquid resources and financing		6,371	82,450
Financing	20	(60,537)	(88,310)
Decrease in cash in the year		(54,166)	(5,860)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Decrease in cash in the year		(54,166)	(5,860)
Net cash inflow/(outflow) from movement in debt and lease financing		60,537	88,310
Change in net debt resulting from cash flows		6,371	82,450
Non cash flows		(11,969)	(541,200)
Movement in net debt in the year		(5,598)	(458,750)
Opening net debt		(1,941,789)	(1,483,039)
Closing net debt	20	(1,947,387)	(1,941,789)

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of accounting

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

The group is party to joint banking arrangements with its trading subsidiary companies, The Academy (Harrogate) Limited, Smiletime Limited and Academy Leisure Limited. The directors have reviewed the group covenant position at the year end and confirmed that this has been breached. Accordingly, the long term element of the bank loans have been reclassified as short term creditors resulting in the group having net current liabilities of £1,737,306 (2013 - £486,745) at the year end.

The banking facilities are due for renewal and in view of the strong relationships with the group's bankers, the directors are expecting the facilities to be renewed for another 12 month period. The directors have prepared cash flow forecasts on this basis which show the group to be operating within the terms of the bank facilities they expect to be offered at renewal, thereby enabling the group to meet its day to day liabilities as they fall due.

Following several years of significant investment and refurbishment in the facilities, the directors now require the group to have a period of consolidation to pay down its liabilities, improve performance and strengthen its cash position. Nonetheless, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents the value, net of Value Added Tax, of goods and services supplied to customers during the year.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold Property	2% straight line on cost
Fixtures & Fittings	5% - 50% straight line on cost
Asset under construction	Not depreciated

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

Investments

Fixed asset investments are stated at cost less provision for 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. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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 FRS 19.

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.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

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.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Loss on ordinary activities before taxation

2014	2013
£	£

Loss on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of tangible fixed assets

- owned	186,945	174,949
- held under finance leases and hire purchase contracts	35,874	-
(Profit) on disposal of tangible assets	(26,557)	(310)
Auditor's remuneration		
- Statutory audit of subsidiary	7,800	7,500
- Taxation compliance services	1,820	1,820
- Other services	<u>2,500</u>	<u>2,500</u>

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

4	Interest payable and similar charges	2014 £	2013 £
	On bank loans and overdrafts	54,267	55,470
	On other loans wholly repayable within five years	4,488	3,399
	Hire purchase interest	11,841	1,551
	Other interest	485	-
		<u>71,081</u>	<u>60,420</u>

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Gym and leisure staff	114	114
Directors	2	2
Central administration	6	5
	<u>122</u>	<u>121</u>

Employment costs

	2014 £	2013 £
Wages and salaries	1,311,637	1,323,213
Social security costs	89,188	90,587
Other pension costs	43,552	41,929
	<u>1,444,377</u>	<u>1,455,729</u>

6 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	<u>151,600</u>	<u>149,924</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2013 - 2).

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

7	Tax on loss on ordinary activities	2014 £	2013 £
	Total current tax	-	-
	Deferred tax		
	Origination and reversal of timing differences	21,140	-
	Deferred tax adjustments arising in previous periods	-	10,276
	Total deferred tax	21,140	10,276

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (21.49%). The differences are explained below:

Loss on ordinary activities before taxation	(47,727)	(22,731)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 20%)	(9,953)	(5,285)
Effects of:		
Expenses not deductible for tax purposes	17,878	-
Losses in year not utilised	11,562	-
Utilisation of tax losses	(39,310)	(6,089)
Fixed asset timing differences	13,149	11,080
Actual tax rate different from expected	(365)	-
Capital allowances in excess of depreciation	7,039	294
Tax charge for the year	-	-

The group has tax losses in subsidiary companies of approximately £1,550,000 (2013 - £1,433,000) to carry forward against future profits of the respective trades and capital losses to carry forward of £50,000 (2013 - £50,000). The group has a deferred tax asset (calculated at a rate of 20%) of approximately £69,400 (2013 - £69,400 at 20%). This asset has not been recognised as there is no certainty as to when or if this will be recovered in the foreseeable future.

8	Loss attributable to members of the parent company	2014 £	2013 £
	Dealt with in the financial statements of the parent company	-	-

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Tangible fixed assets

Group

	Freehold Property	Asset under construction	Fixtures & Fittings	Total
	£	£	£	£
Cost				
At 1 January 2014	4,216,257	563,700	2,601,873	7,381,830
Additions	-	-	439,573	439,573
Disposals	-	-	(447,157)	(447,157)
Transfer of assets	-	(563,700)	284,790	(278,910)
At 31 December 2014	4,216,257	-	2,879,079	7,095,336
Depreciation				
At 1 January 2014	40,325	-	2,120,496	2,160,821
On disposals	-	-	(444,389)	(444,389)
Charge for the year	40,325	-	182,494	222,819
At 31 December 2014	80,650	-	1,858,601	1,939,251
Net book value				
At 31 December 2014	4,135,607	-	1,020,478	5,156,085
At 31 December 2013	4,175,932	563,700	481,377	5,221,009

During the year a negative transfer has been made from Asset under construction to Fixtures and Fittings in order to correct the prior year position.

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures & Fittings £
Net book values	
At 31 December 2014	553,829
At 31 December 2013	541,200
Depreciation charge for the year	
At 31 December 2014	35,874
At 31 December 2013	-

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2014 & 31 December 2014	5,451,646
Net book value	
At 31 December 2014	5,451,646
At 31 December 2013	5,451,646

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Academy Leisure Limited	United Kingdom	Ordinary	100.00
The Academy (Harrogate) Limited	United Kingdom	Ordinary	100.00
Smiletime Limited	United Kingdom	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Academy Leisure Limited	The provision of management services, consultancy and the holding of properties used by trading subsidiaries.
The Academy (Harrogate) Limited	The operation of a gym facility and leisure centre.
Smiletime Limited	The operation of a leisure centre.

The Academy (Harrogate) Limited is held indirectly by Academy Leisure Limited.

The subsidiaries noted above are exempt from the requirements of Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006.

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

11 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Finished goods and goods for resale	38,337	35,680	-	-

12 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	6,776	7,726	-	-
Corporation tax	361	-	-	-
Other debtors	13,457	11,570	-	-
Director's loan account	30,857	29,737	-	-
Prepayments and accrued income	100,503	103,197	-	-
	151,954	152,230	-	-

13 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	1,466,099	242,436	-	-
Debentures due within one year	15,000	15,000	-	-
Net obligations under finance lease and hire purchase contracts	87,970	60,106	-	-
Trade creditors	161,786	163,101	-	-
Taxation and social security costs	95,031	93,821	-	-
Other creditors	10,860	-	-	-
Other loans	6,375	25,500	-	-
Accruals and deferred income	248,841	265,010	-	-
	2,091,962	864,974	-	-

Bank borrowings are secured on a group basis incorporating a debenture, legal charge over land and buildings and an unlimited inter-company guarantee between all companies in the group.

Hire purchase liabilities are secured on the related asset purchased.

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	128,292	1,311,919	-	-
Net obligations under finance leases and hire purchase agreements	423,016	485,772	-	-
Other loans	-	6,375	-	-
Debentures due after one year	17,500	32,500	-	-
	<u>568,808</u>	<u>1,836,566</u>	<u>-</u>	<u>-</u>

The comparative for the pool loans have been transferred into Bank loans from Other loans

Analysis of loans

Wholly repayable within five years	1,594,391	1,554,355	-	-
Included in current liabilities	(1,466,099)	(242,436)	-	-
	<u>128,292</u>	<u>1,311,919</u>	<u>-</u>	<u>-</u>

Net obligations under finance leases and hire purchase contracts

Amounts payable:				
Within one year	87,970	60,106	-	-
Within two to five years	312,350	346,027	-	-
After five years	110,666	139,745	-	-
	<u>510,986</u>	<u>545,878</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(87,970)	(60,106)	-	-
	<u>423,016</u>	<u>485,772</u>	<u>-</u>	<u>-</u>

Bank borrowings are secured on a group basis incorporating a debenture, legal charge over land and buildings and an unlimited inter-company guarantee between all companies in the group.

Hire purchase liabilities are secured on the related asset purchased.

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

15 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 January 2014	48,977
Profit and loss account	21,140
	<hr/>
Balance at 31 December 2014	70,117
	<hr/>

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	211,179	207,370	-	-
Tax losses available	(141,062)	(158,393)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	70,117	48,977	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

16 Retirement Benefits

	2014 £	2013 £
Contributions payable by the group for the year	43,552	41,929
	<hr/>	<hr/>

17 Share capital

	2014 £	2013 £
Authorised		
5,000,000 Ordinary of £1 each	5,000,000	5,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
4,300,000 Ordinary of £1 each	4,300,000	4,300,000
	<hr/>	<hr/>

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

18 Profit and loss account Group

	Profit and loss account £
Balance at 1 January 2014	(1,451,279)
Loss for the year	(68,867)
Balance at 31 December 2014	<u>(1,520,146)</u>

Company

	Profit and loss account £
Balance at 1 January 2014	<u>1,151,646</u>
Balance at 31 December 2014	<u>1,151,646</u>

19 Reconciliation of movements in shareholders' funds Group

	2014 £	2013 £
Loss for the financial year	(68,867)	(33,007)
Opening shareholders' funds	<u>2,848,721</u>	<u>2,881,728</u>
Closing shareholders' funds	<u>2,779,854</u>	<u>2,848,721</u>

Company

	2014 £	2013 £
Result for the financial year	-	-
Opening shareholders' funds	<u>5,451,646</u>	<u>5,451,646</u>
Closing shareholders' funds	<u>5,451,646</u>	<u>5,451,646</u>

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

20 Notes to the cash flow statement

Reconciliation of operating profit to net cash outflow from operating activities	2014	2013
	£	£
Operating profit	22,170	36,551
Depreciation of tangible assets	222,819	174,949
Profit on disposal of tangible assets	(26,557)	(310)
(Increase)/ decrease in stocks	(2,657)	303
Decrease/ (increase) in debtors	637	(10,726)
(Decrease)/ increase in creditors	(20,414)	38,787
Net cash inflow from operating activities	195,998	239,554
Analysis of cash flows for headings netted in the cash flow statement		
	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest paid	(71,081)	(60,420)
Interest received	1,184	1,138
Net cash outflow for returns on investments and servicing of finance	(69,897)	(59,282)
Capital expenditure and financial investment		
Receipts from sale of tangible assets	29,325	1,387
Payments to acquire tangible assets	(148,694)	(99,209)
Net cash outflow from capital expenditure & financial investment	(119,369)	(97,822)
Financing		
Repayment of loans	(13,676)	(85,243)
Capital element of hire purchase	(46,861)	(3,067)
Net cash outflow from financing	(60,537)	(88,310)

ACAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

20 Notes to the cash flow statement (Continued)

Analysis of net debt

	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	190,319	(25,955)	-	164,365
Bank overdrafts	(157,665)	(28,211)	-	(185,877)
	<u>32,654</u>	<u>(54,166)</u>	<u>-</u>	<u>(21,512)</u>
Finance leases	(545,878)	46,861	(11,969)	(510,986)
Debts falling due within one year	(110,271)	(1,176,326)	-	(1,286,597)
Debts falling due after one year	(1,318,294)	1,190,002	-	(128,292)
	<u>(1,941,789)</u>	<u>(6,371)</u>	<u>(11,969)</u>	<u>(1,947,387)</u>

21 Related party relationships and transactions

Group

Included within debtors is £30,857 owed by M S Silver a director of the company (2013 - £29,737). The maximum balance outstanding during the year was £30,857. Interest of £1,183 (2013 - £1,138) was charged on this balance during the year.

L H Silver, the deceased father of M S Silver, made a loan of £85,000 to the group in 2012. The loan has been transferred to the Estate of L H Silver during the year. The balance owing at the year end was £32,500 (2013 - £47,500).

During the year The Academy (Harrogate) Limited charged consultancy fees of £3,000 per month (2013 - £nil) to FC1 S.A., a company in which M S Silver serves as a director. The balance owing at the year end was £nil (2013 - £nil).

The group has taken exemption under FRS8 not to report related party transactions with other group members that are wholly owned.

22 Commitments under operating leases

At 31 December 2014 the group had annual commitments under non-cancellable operating lease as below:

	<i>Land and buildings</i>	
	2014	2013
	£	£
Operating leases which expire:		
After more than 5 years	<u>41,040</u>	<u>41,040</u>

23 Ultimate controlling party

This company is controlled by the Silver family who between them directly own 46% of the issued share capital. The remaining 54% of the issued share capital is held by a discretionary trust, the beneficiaries of whom are members of the Silver family.