

# North Ayrshire Leisure Trading Services Limited

Financial statements

For the year ended 31 March 2006

Grant Thornton 



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07/09/2006

**Company No. SC203399**

## Company information

<b>Company Registration Number</b>	SC203399
<b>Registered Office</b>	1/1 Galt House Bank Street Irvine Ayrshire KA12 0AJ
<b>Directors</b>	J Higgon A Herbert E Marshall A Munro S Dewar M Highet J Madsen J McGarry W McMahon E Wright W Freckleton G Mitchell (retired 1 February 2006) W Cowan D Strain (appointed 27 April 2006) G Robertson
<b>Secretary</b>	E Cairns
<b>Solicitors</b>	Shepherd & Wedderburn 155 St Vincent Street Glasgow
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2006.

### **Principal activities and business review**

The company is principally engaged in the provision of catering and body and skincare services.

The catering function has performed well, returning a profit for the second year running whilst Body and Skincare, a salon providing products and treatments, has returned a loss in the year.

### **Directors**

The directors who served the company during the year are listed on page 1.

No director had any interest in the shares of the company during the year.

### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditor**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

**Small company provisions**

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

ON BEHALF OF THE BOARD

J Madsen

Director

31 August 2006

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a long, horizontal, wavy line.

Grant Thornton 

## Report of the independent auditor to the members of North Ayrshire Leisure Trading Services Limited

We have audited the financial statements of North Ayrshire Leisure Trading Services Limited for the year ended 31 March 2006 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the information given in the Report of the Directors is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

# Report of the independent auditor to the members of North Ayrshire Leisure Trading Services Limited (continued)

## **Basis of opinion**

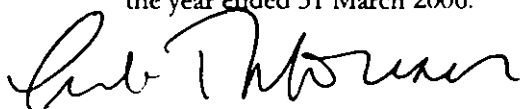
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 applicable to small companies; and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2006.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

31 August 2006

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

The company is dependent upon the support of its parent company. North Ayrshire Leisure Limited have agreed to continue its support for the foreseeable future. Accordingly the directors consider it appropriate to prepare the accounts on the going concern basis.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

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

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

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

### **Cash flow statement**

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



**Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

**Stocks**

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

**Financial instruments**

## Profit and loss account

	Note	2006 £	2005 £
Turnover		383,685	390,638
Cost of sales		<u>346,542</u>	<u>331,282</u>
Gross profit		37,143	59,356
Other operating charges	1	<u>11,969</u>	<u>13,485</u>
<b>Operating profit</b>		<b>25,174</b>	<b>45,871</b>
Interest receivable		14,397	–
Interest payable and similar charges		–	(5,411)
<b>Profit on ordinary activities before taxation</b>		<b><u>39,571</u></b>	<b><u>40,460</u></b>
Tax on profit on ordinary activities		2,232	–
<b>Profit for the financial year</b>	8	<b><u>37,339</u></b>	<b><u>40,460</u></b>

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

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

The accompanying accounting policies and notes form part of these financial statements.

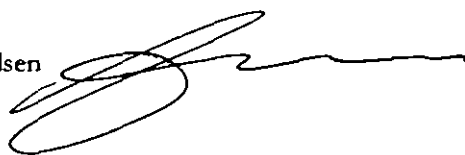
## Balance sheet

	Note	£	2006 £	£	2005 £
<b>Current assets</b>					
Stocks	3	25,091		23,918	
Debtors	4	141,330		303,528	
Cash at bank		16,684		177,949	
		<u>183,105</u>		<u>505,395</u>	
<b>Creditors: amounts falling due within one year</b>	5	214,662		574,291	
<b>Net current liabilities</b>			<u>(31,557)</u>		<u>(68,896)</u>
<b>Total assets less current liabilities</b>			<u>(31,557)</u>		<u>(68,896)</u>
<b>Capital and reserves</b>					
Called-up equity share capital	7		1		1
Profit and loss account	8		<u>(31,558)</u>		<u>(68,897)</u>
<b>Shareholders funds</b>	9		<u>(31,557)</u>		<u>(68,896)</u>

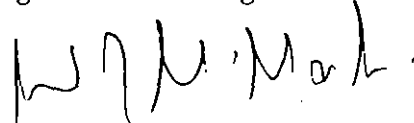
These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on 31 August 2006 and are signed on their behalf by:

J Madsen



W McMahon



## Notes to the financial statements

### 1 Other operating charges

	2006	2005
	£	£
Administrative expenses	<u>11,969</u>	<u>13,485</u>

### 2 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2006	2005
	No	No
Catering	6	10
Body and skincare	2	2
	<u>8</u>	<u>12</u>

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	167,581	152,785
Social security costs	-	-
	<u>167,581</u>	<u>152,785</u>

Staff are employed by North Ayrshire Leisure Limited with associated costs recharged to North Ayrshire Leisure Trading Services Limited.

### 3 Stocks

	2006	2005
	£	£
Raw materials	<u>25,091</u>	<u>23,918</u>

**4 Debtors**

	2006	2005
	£	£
Trade debtors	2,080	3,528
Amounts owed by group undertakings	1,839	—
Other debtors	135,000	300,000
Prepayments and accrued income	2,411	—
	<u>141,330</u>	<u>303,528</u>

**5 Creditors: amounts falling due within one year**

	2006	2005
	£	£
Trade creditors	15,535	17,286
Amounts owed to group undertakings	195,030	276,760
Other creditors including taxation:		
Corporation tax	2,232	—
Other creditors	<u>1,865</u>	<u>280,245</u>
	<u>4,097</u>	<u>280,245</u>
	<u>214,662</u>	<u>574,291</u>

**6 Related party transactions**

A balance of £0 (2005: £280,245) was payable to North Ayrshire Council at the year end.

A balance of £136,839 (2005: £300,000) was due from North Ayrshire Council at the year end.

The ultimate parent company (North Ayrshire Leisure Limited) was due £195,030 (2005: £276,759) from the company at the year end.

**7 Share capital**

Authorised share capital:

	2006	2005
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Equity shares				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**8 Profit and loss account**

	2006	2005
	£	£
Balance brought forward	(68,897)	(109,357)
Profit for the financial year	37,339	40,460
Balance carried forward	<u>(31,558)</u>	<u>(68,897)</u>

**9 Reconciliation of movements in shareholders' funds**

	2006	2005
	£	£
Profit for the financial year	37,339	40,460
Opening shareholders' deficit	(68,896)	(109,356)
Closing shareholders' deficit	<u>(31,557)</u>	<u>(68,896)</u>

**10 Capital commitments**

The company had no capital commitments at 31 March 2006 or at 31 March 2005.

**11 Contingent liabilities**

There were no contingent liabilities at 31 March 2006 or 31 March 2005.

**12 Ultimate parent undertaking**

The directors consider that the ultimate parent undertaking of this company is North Ayrshire Leisure Limited.