

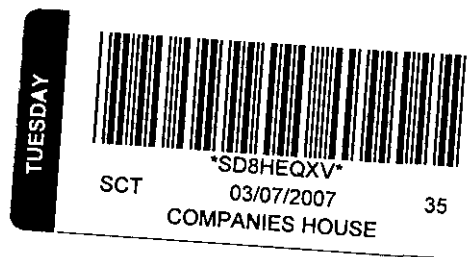
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# North Ayrshire Leisure Trading Services Limited

Financial statements

For the year ended 31 March 2007

Grant Thornton 



**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 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 2007

### **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 third year running

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 Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's 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  
28 June 2007

## 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 2007 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. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we 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**

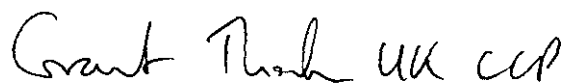
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 and of its profit for the year then ended,
- the financial statements have been 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



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

29 June 2007

## Principle accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention

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

### **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**

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



## Profit and loss account

	Note	2007 £	2006 £
Turnover		386,906	383,685
Cost of sales		344,440	346,542
Gross profit		42,466	37,143
Other operating charges	1	5,385	11,969
<b>Operating profit</b>		<b>37,081</b>	<b>25,174</b>
Interest receivable		—	14,397
<b>Profit on ordinary activities before taxation</b>		<b>37,081</b>	<b>39,571</b>
Tax on profit on ordinary activities		—	2,232
<b>Profit for the financial year</b>	8	<b>37,081</b>	<b>37,339</b>

All of the activities of the company are classed as continuing

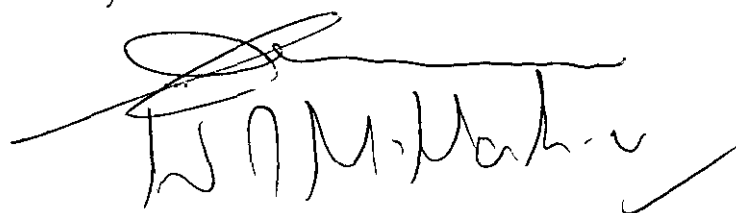
The company has no recognised gains or losses other than the results for the year as set out above

## Balance sheet

	Note	2007 £	2006 £
<b>Current assets</b>			
Stocks	3	22,249	25,091
Debtors	4	372,300	141,330
Cash at bank		12,053	16,684
		<u>406,602</u>	<u>183,105</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>401,078</u>	<u>214,662</u>
<b>Net current assets/(liabilities)</b>		<u>5,524</u>	<u>(31,557)</u>
<b>Total assets less current liabilities</b>		<u>5,524</u>	<u>(31,557)</u>
<b>Capital and reserves</b>			
Called up equity share capital	7	1	1
Profit and loss account	8	5,523	(31,558)
<b>Shareholders' funds/(deficit)</b>	9	<u>5,524</u>	<u>(31,557)</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 28 June 2007 and are signed on their behalf by



## Notes to the financial statements

### 1 Other operating charges

	2007	2006
	£	£
Administrative expenses	<u>5,385</u>	<u>11,969</u>

### 2 Directors and employees

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

	2007	2006
	No	No
Catering	6	6
Body and skincare	2	2
	<u>8</u>	<u>8</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	153,212	167,581
Social security costs	—	—
	<u>153,212</u>	<u>167,581</u>

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

### 3 Stocks

	2007	2006
	£	£
Raw materials	<u>22,249</u>	<u>25,091</u>

**4 Debtors**

	2007	2006
	£	£
Trade debtors	4,323	2,080
Amounts owed by group undertakings	99,671	1,839
Other debtors	268,000	135,000
Prepayments and accrued income	306	2,411
	<u>372,300</u>	<u>141,330</u>

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

	2007	2006
	£	£
Trade creditors	15,416	15,535
Amounts owed to group undertakings	384,245	195,030
Corporation tax	—	2,232
Other creditors	1,417	1,865
	<u>401,078</u>	<u>214,662</u>

**6 Related party transactions**

A balance of £367,671 (2006 £136,839) was due from North Ayrshire Council at the year end

The ultimate parent company (North Ayrshire Leisure Limited) was due £384,245 (2006 £195,030) from the company at the year end

**7 Share capital**

Authorised share capital

	2007	2006
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**8 Profit and loss account**

	2007	2006
	£	£
Balance brought forward	(31,558)	(68,897)
Profit for the financial year	37,081	37,339
Balance carried forward	<u>5,523</u>	<u>(31,558)</u>

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

	2007	2006
	£	£
Profit for the financial year	37,081	37,339
Opening shareholders' deficit	(31,557)	(68,896)
Closing shareholders' funds/(deficit)	<u>5,524</u>	<u>(31,557)</u>

**10 Capital commitments**

The company had no capital commitments at 31 March 2007 or at 31 March 2006

**11 Contingent liabilities**

There were no contingent liabilities at 31 March 2007 or 31 March 2006

**12 Ultimate parent undertaking**

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