

S.A.L. Leisure Limited

Annual report and financial statements  
for the year ended 31 October 2013

Registered number: 1675981

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# S.A.L. Leisure Limited

## Annual report and financial statements

for the year ended 31 October 2013

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# **S.A.L. Leisure Limited**

## **Directors' report for the year ended 31 October 2013**

The directors present their annual report together with the audited financial statements of the company for the year ended 31 October 2013.

### **Principal activities**

The principal activity of the company is the provision of leisure services and entertainment facilities.

### **Business review and future developments**

The position of the company is satisfactory. The directors are in a suitable position to take advantage of any possible business opportunities and look forward with confidence to the future.

### **Results and dividends**

The results of the period are set out on page 5. The directors do not recommend the payment of a dividend (2012: £45,000).

### **Directors**

The directors of the company who served during the period and up to the date of signing the financial statements were:

DH Biesterfeld

DJ Horrocks

I Imrie

### **Qualifying third party indemnity provisions**

Following shareholder approval, the company has put in place an indemnity for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in force during the financial period and also at the date of signing the financial statements.

# **S.A.L. Leisure Limited**

## **Directors' report for the year ended 31 October 2013 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, which includes the exemption from preparing a strategic report.

By order of the board



PN Blain  
Company secretary

22 May 2014

# **S.A.L. Leisure Limited**

## **Independent auditors' report to the members of S.A.L. Leisure Limited**

We have audited the financial statements of S.A.L. Leisure Limited for the year ended 31 October 2013 which comprises the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out on page 2 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements 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 company's affairs as at 31 October 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

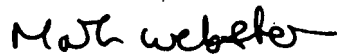
# **S.A.L. Leisure**

## **Independent auditors' report to the members of S.A.L. Leisure Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.



Mark Webster (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

22 May 2014

# S.A.L. Leisure Limited

## Profit and loss account for the year ended 31 October 2013

|   | Note | Year ended<br>31 October<br>2013<br>£'000 | 13 month<br>period ended<br>31 October<br>2012<br>£'000 |
|---|------|---|---|
| Turnover                                      | 1    | 2,563                                     | 1,781   |
| Cost of sales                                 |      | (1,380)                                   | (970)   |
| Gross profit                                  |      | 1,183                                     | 811   |
| Administrative expenses                       |      | (476)                                     | (635)   |
| Other operating income                        |      | -   | 32  |
| Operating profit                              |      | 707                                       | 208   |
| Interest payable and similar charges          |      | -   | (2)   |
| Profit on ordinary activities before taxation | 2    | 707                                       | 206   |
| Tax on profit on ordinary activities          | 4    | (106)                                     | (24)  |
| Profit for the financial period               | 10   | 601                                       | 182   |

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those included in the profit and loss account, and therefore no statement of total recognised gains and losses has been prepared.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents.

# S.A.L. Leisure Limited

## Balance sheet as at 31 October 2012

|   |      |       | 2013  | 2012  |
|---|------|-------|-------|-------|
|   | Note | £'000 | £'000 | £'000 |
| <b>Fixed assets</b>                                   |      |       |       |       |
| Tangible assets                                       | 5    |       | 104   | 116   |
| <b>Current assets</b>                                 |      |       |       |       |
| Debtors   | 6    | 1,260 |       | 701   |
| Cash at bank and in hand                              |      | 92    |       | 87    |
|   |      | 1,352 |       | 788   |
| <b>Creditors: amounts falling due within one year</b> | 7    | (465) |       | (511) |
| <b>Net current assets</b>                             |      |       | 887   | 277   |
| <b>Total assets less current liabilities</b>          |      |       | 991   | 393   |
| <b>Provision for liabilities</b>                      | 8    |       | (1)   | (4)   |
| <b>Net assets</b>                                     |      |       | 990   | 389   |
| <b>Capital and reserves</b>                           |      |       |       |       |
| Called up share capital                               | 9    |       | -     | -     |
| Profit and loss account                               | 10   |       | 990   | 389   |
| <b>Total shareholders' funds</b>                      | 11   |       | 990   | 389   |

The financial statements on pages 5 to 15 were approved by the board of directors on 22 May 2014 and are signed on its behalf by:



DJ Horrocks  
Director

S.A.L. Leisure Limited  
Registered number: 1675981



# **S.A.L. Leisure Limited**

## **Statement of accounting policies**

### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

### **Turnover**

Turnover represents the receipts from the provision of leisure services and entertainment facilities, exclusive of value added tax, within the United Kingdom. Turnover is recognised at the point of receipt, as the company is a cash business.

### **Operating leases**

Operating lease payments are charged to the profit and loss account on a straight line basis over the term of the lease.

### **Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that results in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on taxation rates and laws substantively enacted at the balance sheet date.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives, which are considered to be as follows:

|                            |   |                         |
|----------------------------|---|-------------------------|
| Short leasehold properties | - | term of lease           |
| Plant and machinery        | - | 15% on reducing balance |
| Fixtures and fittings      | - | 15% on reducing balance |

## **S.A.L. Leisure Limited**

### **Statement of accounting policies (continued)**

#### **Stocks**

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

#### **Cash flow statement**

The company is exempt from the requirement of Financial Reporting Standard No. 1(revised 1996) “cash flow statements” to prepare a cash flow statement as it is a wholly owned subsidiary of Red Poppy (UK) Limited and its cash flows are included within the consolidated financial statements of that company, which are publicly available.

# **S.A.L. Leisure Limited**

## **Notes to the financial statements for the year ended 31 October 2013**

### **1 Turnover**

The directors of the company consider that the company has one geographical and business segment and therefore is not required to produce additional segmental disclosure. All the activities of the company fall into the principal activity as stated within the directors' report and the activities arise wholly in the United Kingdom.

### **2 Profit on ordinary activities before taxation**

The profit on ordinary activities before taxation is arrived at after charging:

|                         | <b>2013</b>  | <b>2012</b>  |
|-------------------------|--------------|--------------|
|                         | <b>£'000</b> | <b>£'000</b> |
| Depreciation            | <b>18</b>    | 15           |
| Machine hire charges    | <b>189</b>   | 116          |
| Property rental charges | <b>112</b>   | 156          |

The audit fee in the current and prior period has been borne by the parent company.

### **3 Staff costs**

Staff costs comprise:

|                       | <b>2013</b>  | <b>2012</b>  |
|-----------------------|--------------|--------------|
|                       | <b>£'000</b> | <b>£'000</b> |
| Wages and Salaries    | <b>428</b>   | 414          |
| Social security costs | <b>23</b>    | 27           |
|                       | <b>451</b>   | 441          |

The average monthly number of employees employed by the company in the provision of leisure services and entertainment facilities during the period was 30 (2012: 26), excluding directors.

None of the directors received any emoluments for their services to the company (2012: £nil).

# S.A.L. Leisure Limited

## Notes to the financial statements for the year ended 31 October 2013 (continued)

### 4 Tax on profit on ordinary activities

#### (a) Analysis of tax charge in the period

|  | 2013       | 2012      |
|--|------------|-----------|
|  | £'000      | £'000     |
| <b>Current tax</b>                                 |            |           |
| UK corporation tax on profit for the period        | 126        | 24        |
| Adjustment in respect of prior periods             | (16)       | -         |
| <b>Total current tax</b>                           | <b>110</b> | <b>24</b> |
| <b>Deferred tax</b>                                |            |           |
| Origination and reversal of timing differences     | (4)        | -         |
| <b>Total deferred tax</b>                          | <b>106</b> | <b>24</b> |
| <b>Tax charge on profit on ordinary activities</b> | <b>106</b> | <b>24</b> |

#### (b) Factors affect tax charge for the period

The tax assessed for the period is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.41% (2012: 24.34%). The differences are explained below:

|   | 2013       | 2012       |
|---|------------|------------|
|   | £'000      | £'000      |
| <b>Profit on ordinary activities before taxation</b>  | <b>707</b> | <b>206</b> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.41% (2012: 24.34%) | 166        | 50         |
| Effects of:   |            |            |
| Expenses not taxable for tax purposes   | 2          | 8          |
| Accelerated capital allowances  | 4          | -          |
| Adjustments to tax in respect of prior periods  | (16)       | -          |
| Utilisation of trading losses brought forward   | (46)       | (34)       |
| <b>Current tax charge for the period</b>  | <b>110</b> | <b>24</b>  |

**Notes to the financial statements for the year ended 31 October 2013  
(continued)**

**4 Tax on profit on ordinary activities (continued)**

**(c) Factors that may affect future tax charges**

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 23.41%.

In addition to the changes in the rates of corporation tax disclosed above, further changes to the UK corporation tax rates were announced in the Finance Act 2013, such that there will be additional reductions to the main rate to 21% from 1 April 2014 and 20% from 1 April 2015. These were substantively enacted for accounting purposes on 2 July 2013, before the balance sheet date, and a deferred tax rate of 20% is therefore included in the financial statements.

**5 Tangible assets**

|                                     | Short<br>leasehold<br>properties<br>£'000 | Plant and<br>machinery<br>£'000 | Fixtures and<br>fittings<br>£'000 | Total<br>£'000 |
|-------------------------------------|---|---------------------------------|-----------------------------------|----------------|
| <b>Cost</b>                         |   |                                 |                                   |                |
| At 1 November 2012                  | 260                                       | 3                               | 335                               | 598            |
| Additions                           | -   | -                               | 6                                 | 6              |
| <b>At 31 October 2013</b>           | <b>260</b>                                | <b>3</b>                        | <b>341</b>                        | <b>604</b>     |
| <b>Accumulated<br/>depreciation</b> |   |                                 |                                   |                |
| At 1 November 2012                  | 242                                       | 1                               | 239                               | 482            |
| Charge for the period               | 2   | -                               | 16                                | 18             |
| <b>At 31 October 2013</b>           | <b>244</b>                                | <b>1</b>                        | <b>255</b>                        | <b>500</b>     |
| <b>Net book amount</b>              |   |                                 |                                   |                |
| <b>At 31 October 2013</b>           | <b>16</b>                                 | <b>2</b>                        | <b>86</b>                         | <b>104</b>     |
| At 31 October 2012                  | 18  | 2                               | 96                                | 116            |

## S.A.L. Leisure Limited

### Notes to the financial statements for the year ended 31 October 2013 (continued)

#### 6 Debtors

|                                    | 2013  | 2012  |
|------------------------------------|-------|-------|
|                                    | £'000 | £'000 |
| Trade debtors                      | 2     | 1     |
| Amounts owed by group undertakings | 1,175 | 545   |
| Other debtors                      | 12    | 18    |
| Prepayments and accrued income     | 71    | 137   |
|                                    | 1,260 | 701   |

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

#### 7 Creditors: amounts falling due within one year

|                                    | 2013  | 2012  |
|------------------------------------|-------|-------|
|                                    | £'000 | £'000 |
| Trade creditors                    | 33    | 47    |
| Amounts owed to group undertakings | 114   | 354   |
| Amounts owed to related parties    | 2     | -     |
| Corporation tax                    | 133   | 23    |
| Other taxation and social security | 137   | 7     |
| Other creditors                    | 14    | 4     |
| Accruals and deferred income       | 32    | 76    |
|                                    | 465   | 511   |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The company has given a cross guarantee on the obligations by fellow group undertakings under a facilities agreement with the group's bankers. At 31 October 2013 the liability was £nil (2012: £nil).

# S.A.L. Leisure Limited

## Notes to the financial statements for the year ended 31 October 2013 (continued)

### 8 Provisions for liabilities

|                                      | 2013     | 2012     |
|--------------------------------------|----------|----------|
|                                      | £'000    | £'000    |
| <b>Deferred tax asset comprises:</b> |          |          |
| Accelerated capital allowances       | 1        | 4        |
| <b>Total deferred tax</b>            | <b>1</b> | <b>4</b> |

|   |          |
|---|----------|
| The movement in the year arose from:      | £'000    |
| At 1 November 2012                        | 4        |
| Deferred tax credit for the year (note 4) | (4)      |
| Adjustment in respect of prior years      | 1        |
| <b>At 31 October 2013</b>                 | <b>1</b> |

A deferred tax asset of £nil (2012: £48,000) has not been recognised as at 31 October 2013 in respect of timing differences relating to capital allowances and unutilised losses carried forward as there is insufficient evidence that the asset will be recovered.

### 9 Called up share capital

|  | 2013 | 2012 |
|--|------|------|
|  | £    | £    |
| <b>Authorised</b>                          |      |      |
| 100 (2012: 100) ordinary shares of £1 each | 100  | 100  |
| <b>Allotted and fully paid</b>             |      |      |
| 2 (2012: 2) ordinary shares of £1 each     | 2    | 2    |

## S.A.L. Leisure Limited

### Notes to the financial statements for the year ended 31 October 2013 (continued)

#### 10 Profit and loss account

|                                 | £'000      |
|---------------------------------|------------|
| At 1 November 2012              | 389        |
| Profit for the financial period | 601        |
| <b>At 31 October 2013</b>       | <b>990</b> |

#### 11 Reconciliation of movements in shareholders' funds

|                                    | 2013<br>£'000 | 2012<br>£'000 |
|------------------------------------|---------------|---------------|
| Profit for the financial period    | 601           | 182           |
| Dividends                          | -             | (45)          |
| Opening shareholders' funds        | 389           | 252           |
| <b>Closing shareholders' funds</b> | <b>990</b>    | <b>389</b>    |

#### 12 Lease commitments

The company has the following annual commitments in respect of non-cancellable operating leases expiring in the following periods relating to land and buildings for which provision has not been made:

|                            | 2013<br>£'000 | 2012<br>£'000 |
|----------------------------|---------------|---------------|
| Expiring:                  |               |               |
| After more than five years | 112           | 112           |



## **S.A.L. Leisure Limited**

### **Notes to the financial statements for the year ended 31 October 2013 (continued)**

#### **13 Dividends**

|   | <b>2013</b>  | <b>2012</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Interim paid: £nil (2012: £22,694) per £1 share | -            | 45           |

#### **14 Ultimate parent undertaking**

The immediate parent undertaking is DC Gaming Limited, a company registered in England and Wales. The ultimate parent undertaking is Red Poppy (Gibraltar) Limited, a company registered in Gibraltar. Red Poppy (UK) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 October 2013 and Red Poppy (Gibraltar) Limited the parent company of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Red Poppy (UK) Limited can be obtained from the Company Secretary, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX and those of Red Poppy (Gibraltar) Limited from Suite 15 Watergardens 3, PO Box 1105, Gibraltar.

The ultimate controlling party is P Noble.

#### **15 Related party transactions**

Transactions with other Red Poppy (Gibraltar) Limited group companies are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "related party disclosures", as the company is a wholly owned subsidiary of Red Poppy (Gibraltar) Limited.

Amounts owed by and from related parties are shown in notes 6 and 7 respectively.