

**LANGDALE LEISURE LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2010**



# **LANGDALE LEISURE LIMITED**

## **ACCOUNTS**

**YEAR ENDED 30 APRIL 2010**

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# LANGDALE LEISURE LIMITED

## COMPANY INFORMATION

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<b>The board of directors</b>	Mr D E Watler Mr J Longmuir
<b>Company secretary</b>	A L Durnall
<b>Registered office</b>	The Langdale Estate Great Langdale Cumbria LA22 9JD
<b>Auditor</b>	Moore and Smalley LLP Chartered Accountants & Statutory Auditor Priory Close St Mary's Gate Lancaster Lancashire LA1 1XB
<b>Bankers</b>	Barclays Bank plc 38 Fishergate Preston PR1 2DD

# **LANGDALE LEISURE LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 APRIL 2010**

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The directors have pleasure in presenting their report and the accounts of the company for the year ended 30 April 2010

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

The principal activity of the company continues to be the operation and management of the Langdale resort, which includes a hotel and timeshare development

A detailed review of the business is included in the financial statements of the parent company, Langdale Owners Plc, a copy of which can be obtained from Companies House

### **Results and dividends**

The profit for the year, after taxation, amounted to £105,309. The directors have not recommended a dividend.

### **Financial instruments**

Details of the company's financial risk management objectives and policies are included in note 17 to the accounts.

### **Directors**

The directors who served the company during the year were as follows:

Mr D E Watler  
Mr J Longmuir

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the accounts of the parent company.

### **Policy on the payment of creditors**

The company's policy is to fix terms of payment when agreeing the terms of each business transaction, this ensures the supplier is aware of those terms and abides by them. Apart from pre agreed arrangements there were no instances where these terms were not abided by.

### **Directors' responsibilities**

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 those accounts, the directors are required to

# LANGDALE LEISURE LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2010

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- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts 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 accounts 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

### Auditor

A resolution to appoint Moore and Smalley LLP as auditors for the ensuing year has been proposed at the Annual General Meeting in accordance with section 487(2) of the Companies Act 2006.

Signed by order of the directors



**A L Durnall**  
**Company Secretary**

Approved by the directors on 07.08.10

# **LANGDALE LEISURE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LANGDALE LEISURE LIMITED**

**YEAR ENDED 30 APRIL 2010**

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We have audited the accounts of Langdale Leisure Limited for the year ended 30 April 2010 on pages 6 to 18. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 directors, and the overall presentation of the accounts.

### **Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 30 April 2010 and of its 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 matters prescribed by the Companies Act 2006**

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

# LANGDALE LEISURE LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LANGDALE LEISURE LIMITED *(continued)*

YEAR ENDED 30 APRIL 2010

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### 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 accounts 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

*Moore and Smalley LLP*

**James Treadwell (Senior Statutory Auditor)**  
**For and on behalf of**  
**Moore and Smalley LLP**  
**Chartered Accountants & Statutory Auditor**

Priory Close  
St Mary's Gate  
Lancaster  
Lancashire  
LA1 1XB

22.9.10

# LANGDALE LEISURE LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2010

	Note	2010 £	2009 £
Turnover	2	5,510,678	5,225,710
Cost of sales		(3,816,581)	(3,605,645)
Gross profit		1,694,097	1,620,065
Administrative expenses		(1,550,260)	(1,521,895)
Operating profit	3	143,837	98,170
Interest payable and similar charges	6	(22,010)	(10,799)
Profit on ordinary activities before taxation		121,827	87,371
Tax on profit on ordinary activities	7	(16,518)	(5,374)
Profit for the financial year		105,309	81,997

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

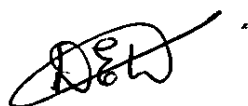
# LANGDALE LEISURE LIMITED

## BALANCE SHEET

30 APRIL 2010

	Note	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	8		5,933,905		5,751,426
<b>Current assets</b>					
Stocks	9	133,019		191,338	
Debtors	10	814,598		683,871	
Cash at bank and in hand		439,254		62,893	
		<u>1,386,871</u>		<u>938,102</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>2,247,314</u>		<u>1,893,831</u>	
<b>Net current liabilities</b>			<u>(860,443)</u>		<u>(955,729)</u>
<b>Total assets less current liabilities</b>			<u>5,073,462</u>		<u>4,795,697</u>
<b>Creditors: amounts falling due after more than one year</b>	12		3,765,333		3,598,395
<b>Provisions for liabilities</b>					
Deferred taxation	16		528,689		512,171
Government grants	18		59,954		70,954
			<u>719,486</u>		<u>614,177</u>
<b>Capital and reserves</b>					
Called-up equity share capital	21		435,000		435,000
Profit and loss account	22		284,486		179,177
<b>Shareholders' funds</b>	23		<u>719,486</u>		<u>614,177</u>

These accounts were approved by the directors and authorised for issue on 7/8/10, and are signed on their behalf by



Mr D E Watler



Mr J Longmuir

Company Registration Number 2060782

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

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### 1 Accounting policies

#### Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

The accounts are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 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 accounts on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

#### Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

#### Fixed assets

All fixed assets are initially recorded at cost

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold buildings	-	2% per annum
Plant & Machinery	-	5-20% per annum
Fixtures & Fittings	-	10-20% per annum
Motor Vehicles	-	20% per annum

#### Stocks

Stocks are valued at the lower of cost and net realisable value

Goods held for resale relate to timeshare stock which is valued by pro-rating the actual cost of a completed lodge by reference to the unsold weeks at the year end

Timeshare stock purchased in part-exchange deals is valued at cost of purchase less any provision considered necessary to reflect the lower of cost and net realisable value

Net realisable value is based on estimated selling price arising from normal activities less further costs expected to be incurred on disposal

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

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### 1 Accounting policies (continued)

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company  
An analysis of turnover is given below

	2010 £	2009 £
Timeshare	1,243,943	1,287,358
Hotel	4,266,735	3,938,352
	<u>5,510,678</u>	<u>5,225,710</u>

Turnover wholly relates to activities within the UK

Timeshare turnover for the year excludes disbursements made on behalf of timeshare owners

### 3 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Amortisation of government grants re fixed assets	(11,000)	(3,549)
Depreciation of owned fixed assets	347,405	302,172
Depreciation of assets held under hire purchase agreements	30,185	14,843
Loss on disposal of fixed assets	6,027	—
Auditor's remuneration		
- as auditor	7,173	9,500
- for other services	—	1,900
Operating lease costs		
Hire of equipment	<u>15,974</u>	<u>21,905</u>

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 4 Particulars of employees

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

	2010 No	2009 No
Part time	81	79
Full time	120	118
	<u>201</u>	<u>197</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	2,074,414	2,017,308
Social security costs	180,261	156,023
Other pension costs	30,666	14,061
	<u>2,285,341</u>	<u>2,187,392</u>

### 5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Aggregate remuneration	<u>111,236</u>	<u>84,027</u>

### 6 Interest payable and similar charges

	2010 £	2009 £
Interest payable on bank borrowing	17,119	6,357
Finance charges	4,891	4,442
	<u>22,010</u>	<u>10,799</u>

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 7 Taxation on ordinary activities

#### Analysis of charge in the year

	2010		2009	
	£	£	£	£
<b>Deferred tax:</b>				
Origination and reversal of timing differences (note 16)				
Capital allowances	(12,172)		5,875	
Losses	28,791		-	
Other	(101)		(501)	
Total deferred tax (note 16)		<u>16,518</u>		<u>5,374</u>

#### Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>121,827</u>	<u>87,371</u>
Profit on ordinary activities by rate of tax	34,112	24,464
P&L items not deductible for tax purposes	1,241	-
Differences between capital allowances and depreciation	(5,911)	(31,676)
Utilisation of tax losses	(28,792)	-
Movement in short term timing differences	(650)	1,252
Group relief	-	5,960
Total current tax	<u>-</u>	<u>-</u>

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 8 Tangible fixed assets

	Freehold land and buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 May 2009	5,018,146	2,667,654	2,791,981	123,952	10,601,733
Additions	–	44,409	524,394	–	568,803
Disposals	–	(376,924)	(328,870)	(17,732)	(723,526)
Transfers	(1,300)	1,300	–	–	–
<b>At 30 April 2010</b>	<b>5,016,846</b>	<b>2,336,439</b>	<b>2,987,505</b>	<b>106,220</b>	<b>10,447,010</b>
<b>Depreciation</b>					
At 1 May 2009	1,422,529	1,387,963	1,950,142	89,673	4,850,307
Charge for the year	40,174	163,160	160,929	13,327	377,590
On disposals	–	(332,824)	(350,810)	(31,158)	(714,792)
Transfers	(530,574)	455,930	74,644	–	–
<b>At 30 April 2010</b>	<b>932,129</b>	<b>1,674,229</b>	<b>1,834,905</b>	<b>71,842</b>	<b>4,513,105</b>
<b>Net book value</b>					
<b>At 30 April 2010</b>	<b>4,084,717</b>	<b>662,210</b>	<b>1,152,600</b>	<b>34,378</b>	<b>5,933,905</b>
At 30 April 2009	3,595,617	1,279,691	841,839	34,279	5,751,426

Freehold land, which in the opinion of the directors has a value of £3,000,000 (2009 £3,000,000), has not been depreciated

### Hire purchase agreements

Included within the net book value of £5,933,905 is £84,411 (2009 - £66,604) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £30,185 (2009 - £14,843)

### 9 Stocks

	2010 £	2009 £
Raw materials, consumables and goods held for resale	78,196	74,311
Timeshare stock	54,823	117,027
	<b>133,019</b>	<b>191,338</b>

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 10 Debtors

	2010 £	2009 £
Trade debtors	279,973	195,188
Other debtors	76,022	30,705
Prepayments and accrued income	458,603	457,978
	<u>814,598</u>	<u>683,871</u>

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

	2010 £	2009 £
Bank loans	130,000	70,400
Trade creditors	797,265	748,802
PAYE and social security	52,822	43,496
VAT	84,287	84,635
Hire purchase agreements	33,880	17,988
Other creditors	205,081	198,481
Accruals and deferred income	943,979	730,029
	<u>2,247,314</u>	<u>1,893,831</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2010 £	2009 £
Bank loans	<u>130,000</u>	<u>70,400</u>

### 12 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Bank loans and overdrafts	491,342	258,639
Amounts owed to group undertakings	3,235,259	3,281,932
Hire purchase agreements	29,732	36,824
Other creditors	9,000	21,000
	<u>3,765,333</u>	<u>3,598,395</u>

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 12 Creditors: amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010 £	2009 £
Bank loans and overdrafts	<u>491,342</u>	<u>258,639</u>

The bank borrowings are secured by a debenture and cross guarantee between the company and its parent company Langdale Owners PLC

### 13 Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows

	2010 £	2009 £
Amounts repayable		
In one year or less or on demand	142,000	98,785
In more than one year but not more than two years	139,000	98,785
In more than two years but not more than five years	361,342	180,854
	<u>642,342</u>	<u>378,424</u>

Loans comprise a bank loan of £621,342 at an interest rate of 3% above the bank's base rate (repayable in monthly instalments of £11,822), and an interest free loan of £21,000 (repayment in monthly instalments of £1,000)

### 14 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2010 £	2009 £
Amounts payable within 1 year	33,880	17,988
Amounts payable between 2 to 5 years	29,732	36,824
	<u>63,612</u>	<u>54,812</u>

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, and amounted to £30,666 (2009 £14,061) for the year. Contributions totalling £nil (2009 £nil) were outstanding at the year-end.

No pension contributions were made for the directors.

### 16 Deferred taxation

The movement in the deferred taxation provision during the year was

	2010 £	2009 £
Provision brought forward	512,171	506,797
Profit and loss account movement arising during the year	16,518	5,374
Provision carried forward	<u>528,689</u>	<u>512,171</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	602,515	614,687
Tax losses available	(72,474)	(101,265)
Other timing differences	(1,352)	(1,251)
	<u>528,689</u>	<u>512,171</u>

### 17 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

# LANGDALE LEISURE LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 2010

### 18 Government grants

	2010 £	2009 £
<b>Received and receivable:</b>		
At 1 May 2009	74,503	-
Receivable during year	-	74,503
At 30 April 2010	<u>74,503</u>	<u>74,503</u>
<b>Amortisation:</b>		
At 1 May 2009	3,549	-
Credit to profit and loss account	11,000	3,549
At 30 April 2010	<u>14,549</u>	<u>3,549</u>
Net balance at 30 April 2010	<u>59,954</u>	<u>70,954</u>

### 19 Commitments under operating leases

At 30 April 2010 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Assets other than Land and buildings</b>	
	2010 £	2009 £
Operating leases which expire Within 2 to 5 years	<u>18,378</u>	<u>12,600</u>

### 20 Related party transactions

The company has taken advantage of the exemption within FRS8 'Related Party Transactions', and not to disclose transactions with other group undertakings as voting rights are controlled within the group and consolidated financial statements are publicly available from Companies House

The Langdale Owners' Club is a related party as directors are members of the Club, and are members of the Club Committee

The amount due from the Langdale Owners Club at the year-end is £76,022 (2009 £30,705) and is included within other debtors