

**Vimac Leisure Limited**

**Directors' report and financial statements**

*for the 52 weeks ended 27 March 2010*

**Registered number 3301149**

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# **Vimac Leisure Limited**

## **Directors' report and financial statements**

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# **Vimac Leisure Limited**

## **Directors' report**

The directors present their report and the financial statements for the 52 weeks ended 27 March 2010

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

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

### **Principal activity**

The principal activity of the company is that of nightclub operator

### **Results and dividends**

The results for the period are set out on page 5

### **Directors**

The directors who served during the period are as stated below

PA Mackings  
JP Greenwood  
LJ Miller  
RA Smith

# Vimac Leisure Limited

## Directors' report

### Charitable and political contributions

The company made no political contributions during the period. The company made donations and provided sponsorship of £2,764 (2009 £2,402) to organisations engaged in charitable work.

### Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint auditors annually and The Charlton Williamson Partnership LLP will therefore continue in office.

This report was approved by the board on ~~22 OCTOBER 2010~~ and signed on its behalf by



PA Mackings  
*Director*

## **Independent auditors' report to the shareholders of Vimar Leisure Limited**

We have audited the financial statements of Vimar Leisure Limited for the 52 weeks ended 27 March 2010 on pages 5 to 15. The financial statements have been prepared in accordance with 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 auditors' 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 auditors**

As explained more fully in the statement of directors' responsibilities the company's 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 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**

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.

### **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 27 March 2010 and of the company's loss for the 52 weeks 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 period for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the shareholders of Vimac 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

**Emphasis of matter - going concern**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £235,677 for the period ended 27 March 2010. At that date, the company's total liabilities exceeded its total assets by £490,412. The company's bank loan facilities are subject to renegotiation or refinancing by 31 December 2010. At 27 March 2010 the total amount due by the company to its bankers amounted to £1.5m. The company has assumed that the bank loan facilities will be renewed in due course and consequently has classified the debt as falling due after more than one year. This indicates the existence of a material uncertainty which may cast significant doubt as to the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent company were unable to continue as a going concern.



*David Charlton FCA (Senior statutory auditor)  
for and on behalf of The Charlton Williamson Partnership LLP (Statutory Auditors)*

*22 October 2010*

# Vimac Leisure Limited

## Profit and loss account

for the 52 weeks ended 27 March 2010

		2010	52 weeks ended 28 March 2009
	Notes	£	£
<b>Turnover - continuing operations</b>	<b>2</b>	578,678	645,107
Cost of sales		(465,153)	(514,680)
<b>Gross profit</b>		113,525	130,427
Administrative expenses		(224,318)	(184,417)
Other operating income		-	8,804
<b>Operating loss - continuing operations</b>	<b>3 - 5</b>	(110,793)	(45,186)
Profit on sale of freehold property		-	219,078
<b>(Loss)/profit on ordinary activities before interest</b>		(110,793)	173,892
Interest receivable and similar income	<b>6</b>	979	218
Interest payable and similar charges	<b>7</b>	(54,105)	(93,373)
<b>(Loss)/profit on ordinary activities before taxation</b>		(163,919)	80,737
Taxation	<b>8</b>	(71,758)	(46,201)
<b>Retained (loss)/profit for the financial period</b>	<b>17</b>	(235,677)	34,536

There are no recognised gains or losses other than the profit or loss for the above two financial periods

The notes on pages 7 to 15 form an integral part of these financial statements.

# Vimac Leisure Limited

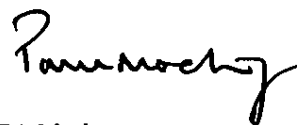
Registered number - 3301149

## Balance sheet

at 27 March 2010

	Notes	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Intangible assets	9		236,366		257,284
Tangible assets	10		656,778		790,605
			<u>893,144</u>		<u>1,047,889</u>
<b>Current assets</b>					
Stocks	11	8,454		4,649	
Debtors	12	1,424,027		1,130,749	
Cash at bank and in hand		16,857		15,116	
		<u>1,449,338</u>		<u>1,150,514</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,285,335)		(1,182,191)	
<b>Net current assets/(liabilities)</b>			<u>164,003</u>		<u>(31,677)</u>
<b>Total assets less current liabilities</b>			<u>1,057,147</u>		<u>1,016,212</u>
<b>Creditors, amounts falling due after more than one year</b>	14		(1,547,559)		(1,270,947)
<b>Deficiency of assets</b>			<u>(490,412)</u>		<u>(254,735)</u>
<b>Capital and reserves</b>					
Called up share capital	16		550,000		550,000
Profit and loss account	17		(1,040,412)		(804,735)
<b>Deficiency of shareholders' funds</b>	18		<u>(490,412)</u>		<u>(254,735)</u>

The financial statements were approved by the board on ~~22~~ OCTOBER 2010 and signed on its behalf by



PA Mackings  
Director

The notes on pages 7 to 15 form an integral part of these financial statements



# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Accounting convention*

The financial statements are prepared under the historical cost convention

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Vimac Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Vimac Group Limited, within which this company is included, can be obtained from the address given in note 22

The company meets its day to day working capital requirements through loans from group undertakings which are repayable on demand The company's parent undertaking has confirmed that it will continue to provide financial support for the foreseeable future

#### *Basis of preparation*

The company incurred a net loss of £235,677 for the period ended 27 March 2010 Of this loss, £71k related to the write off of brought forward deferred tax assets A further £27k of deferred tax assets relating to the current period have not been recognised in the company balance sheet At 27 March 2010, the company's total liabilities exceeded its total assets by £490,412

The company's bank loan facilities are subject to renegotiation or refinance by 31 December 2010 At 27 March 2010 the total amount due by the company to its bankers amounted to £1.5m The company has assumed that the bank loan facilities will be renewed in due course and consequently has classified the debt as falling due after more than one year

The company has prepared financial projections which indicate that the company will be able to operate within its financial facilities on the assumption that the company's bankers continue to renew the facilities Consequently, the financial statements have been drawn up on the going concern basis

If the going concern basis proved to be invalid, the financial statements would have to be prepared on a break up basis in which the balance sheet would be restated to include all assets at their estimated realisable values and all liabilities would become current and would have to be increased to include those liabilities contingent on the cessation of trade

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 1 Accounting policies (continued)

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period

#### *Goodwill*

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations has been capitalised. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

#### *Tangible fixed assets and depreciation*

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold property	- 2% per annum
Leasehold improvements	- 2% per annum
Plant and machinery	- 10% per annum
Motor vehicles	- 20% per annum

#### *Leasing and hire purchase commitments*

Assets acquired under finance leases, including similar hire purchase obligations, are capitalised and the outstanding future lease obligations are shown in creditors.

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

#### *Refurbishment costs*

Subsequent expenditure on operating venues is capitalised where the expenditure enhances the economic benefits of the assets in excess of the previously assessed standard of performance or relates to a substantial replacement of venue assets. Expenditure to maintain the assets at their previously assessed standard of performance is charged to the profit and loss account as it is incurred.

#### *Stock*

Stock is valued at the lower of cost and net realisable value.

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 1 Accounting policies (continued)

#### Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3	Operating loss	2010 £	2009 £
	<i>Operating loss is stated after charging/(crediting)</i>		
	Amortisation of goodwill	20,918	20,919
	Depreciation of tangible fixed assets		
	- Owned	130,915	131,946
	- Leased	73,247	73,942
	Loss on disposal of fixed assets	467	6,883
	Hire of other assets - operating leases	77,000	95,000
	Management fees	(1,129,191)	(917,699)
	Auditors' remuneration		
	- Audit	5,000	5,000
	- Other	500	500

4	Directors' emoluments	2010 £	2009 £
	Directors' emoluments	714,684	454,013

The aggregate emoluments of the highest paid director were £572,414 (2009 £311,565)

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 5 Staff numbers and costs

The average number of full time and part time persons employed by the company (excluding directors) during the period, analysed by category, was as follows

	Number of employees	
	2010	2009
Nightclub staff	15	16
Management	1	2
Administration	8	9
	<u>24</u>	<u>27</u>

The aggregate payroll costs of these persons were as follows

	2010	2009
	£	£
Wages and salaries	850,754	610,075
Social security costs	92,665	60,977
	<u>943,419</u>	<u>671,052</u>

### 6 Interest receivable and similar income

	2010	2009
	£	£
Bank interest	<u>979</u>	<u>218</u>

### 7 Interest payable and similar charges

	2010	2009
	£	£
On bank loans	40,306	77,250
On all other loans	559	527
Hire purchase interest	13,240	15,596
	<u>54,105</u>	<u>93,373</u>

### 8 Taxation

Analysis of charge in period	2010	2009
	£	£
Current tax		
Group relief	274	54,091
Prior period adjustments	-	(4,640)
	<u>274</u>	<u>49,451</u>

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 8 Taxation (continued)

#### Deferred tax

Timing differences, origination and reversal	65,844	(22,943)
Prior period adjustments	5,640	19,693
	<u>71,484</u>	<u>(3,250)</u>
Tax on (loss)/profit on ordinary activities	<u>71,758</u>	<u>46,201</u>

#### Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below

	2010 £	2009 £
(Loss)/profit on ordinary activities before taxation	<u>(163,919)</u>	<u>80,737</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(45,897)	22,606
Expenses not deductible for tax purposes	12,478	9,434
Depreciation for period in excess of capital allowances	46,433	48,301
Utilisation of tax losses	(12,871)	(20,865)
Loss/ (profit) on disposal of fixed assets	131	(5,385)
Prior period adjustments	-	(4,640)
Current tax charge for period	<u>274</u>	<u>49,451</u>

#### Factors that may affect future tax charges

At the balance sheet date the company had unrelieved UK corporation tax losses of approximately £242,000 (2009 £260,000) available to carry forward

9 Intangible fixed assets	Licences £	Goodwill £	Total £
<i>Cost</i>			
At beginning and end of period	<u>2</u>	<u>414,515</u>	<u>414,517</u>
<i>Provision for diminution in value</i>			
At beginning of period	-	157,233	157,233
Charge for period	-	20,918	20,918
At end of period	<u>-</u>	<u>178,151</u>	<u>178,151</u>
<i>Net book values</i>			
At 27 March 2010	<u>2</u>	<u>236,364</u>	<u>236,366</u>
At 28 March 2009	<u>2</u>	<u>257,282</u>	<u>257,284</u>

Goodwill arising on the acquisition of night club businesses has been capitalised and is being written off on a straight line basis over 20 years

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 10 Tangible fixed assets

	Leasehold improvements £	Plant, equipment, fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of period	100,953	1,152,018	434,012	1,686,983
Additions	-	9,199	121,402	130,601
Disposals	-	(1,440)	(118,319)	(119,759)
At end of period	100,953	1,159,777	437,095	1,697,825
<i>Depreciation</i>				
At beginning of period	9,962	775,180	111,236	896,378
Charge for the period	2,013	115,175	86,974	204,162
On disposals	-	(467)	(59,026)	(59,493)
At end of period	11,975	889,888	139,184	1,041,047
<i>Net book values</i>				
At 27 March 2010	88,978	269,889	297,911	656,778
At 28 March 2009	90,991	376,838	322,776	790,605

Included in the total net book value of motor vehicles is £222,231 (2009 £300,950) in respect of assets held under finance leases. Depreciation for the period on these assets was £73,247 (2009 £73,942)

### 11 Stocks

	2010 £	2009 £
Goods for resale and consumable stores	8,454	4,649

### 12 Debtors

	2010 £	2009 £
Trade debtors	8,670	17,101
Amounts owed by group undertakings	168,449	61,315
Other debtors	58,272	23,005
Director's loan account	26,027	820
Prepayments and accrued income	1,162,609	957,024
Deferred tax asset - see note 15	-	71,484
	1,424,027	1,130,749

The director's loan account relates to Mr P Mackings, it is interest free and repayable on demand. The highest amount outstanding during the period was £26,284 (2009 £12,540)

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

13	Creditors: amounts falling due within one year	2010 £	2009 £
	Other loans	6,350	5,966
	Net obligations under finance leases (secured)	69,216	82,578
	Trade creditors	26,237	60,188
	Amounts owed to group undertakings	1,088,592	935,534
	Other taxes and social security costs	19,820	31,239
	Other creditors	16,338	18,340
	Accruals and deferred income	58,782	48,346
		<u>1,285,335</u>	<u>1,182,191</u>

The company's bank loan carries interest at 3% above LIBOR and is secured by a fixed and floating charge over the company's assets and by an inter company cross guarantee

Other loans comprise of short term, unsecured borrowings

Obligations under finance leases are secured on the assets to which they relate

14	Creditors: amounts falling due after more than one year	2010 £	2009 £
	Bank loans (secured)	1,475,380	1,152,380
	Net obligations under finance leases (secured)	72,179	118,567
		<u>1,547,559</u>	<u>1,270,947</u>

Analysis of debt.	2010 £	2009 £
Repayable in one year or less, or on demand (Note 13)	75,566	88,544
Repayable between one and two years	61,119	60,393
Repayable between two and five years	216,084	219,479
Repayable in five years or more	1,270,356	991,075
	<u>1,623,125</u>	<u>1,359,491</u>

# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 15 Provisions for liabilities and charges

	Deferred taxation £	Total £
At beginning of period	(71,484)	(71,484)
Movement in the period	71,484	71,484
Deferred tax asset at end of period	-	-

### Provision for deferred taxation at 28% (2009: 28%)

	2010 £	Provided 2009 £	2010 £	Not provided 2009 £
(Decelerated)/accelerated capital allowances	-	1,420	(25,318)	-
Tax losses	-	(72,904)	(67,799)	-
Capital losses	-	-	(17,484)	(22,060)
Undiscounted provision for deferred tax	-	(71,484)	(110,601)	(22,060)

### 16 Share capital

	2010 £	2009 £
<i>Authorised equity</i>		
550,000 Ordinary shares of £1 each	550,000	550,000
<i>Allotted, called up and fully paid equity</i>		
550,000 Ordinary shares of £1 each	550,000	550,000

### 17 Reserves

	Profit and loss account £	Total £
At beginning of period	(804,735)	(804,735)
Loss for the period	(235,677)	(235,677)
At end of period	(1,040,412)	(1,040,412)

### 18 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
(Loss)/profit for the period	(235,677)	34,536
Opening deficiency of shareholders' funds	(254,735)	(289,271)
Closing deficiency of shareholders' funds	(490,412)	(254,735)



# Vimac Leisure Limited

## Notes to the financial statements

for the 52 weeks ended 27 March 2010

### 19 Capital and operating lease commitments

(a) There were no capital commitments as at the balance sheet date (2009 £nil)

(b) Annual commitments under non-cancellable operating leases are as follows

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
<i>Operating leases which expire</i>				
Within one year	-	-	-	-
Between one to five years	14,500	-	14,500	-
More than five years	62,500	-	62,500	-
	<u>77,000</u>	<u>-</u>	<u>77,000</u>	<u>-</u>

### 20 Related party disclosures

The company is controlled by Vimac Group Limited, the parent undertaking. The ultimate controlling party is Mr PA Mackings, a director of the company.

### 21 Contingent liabilities

The company is party to group cross guarantees to its bankers under which there is an aggregate potential liability of £14,701,358 at the balance sheet date (2009 £14,704,507).

### 22 Ultimate parent undertaking

The company is a subsidiary undertaking of Vimac Group Limited, incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Vimac Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.