

REGISTERED NUMBER: 04207126 (England and Wales)

Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2017
for
Cherwell Leisure Limited

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Cherwell Leisure Limited

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for the Year Ended 31 December 2017

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Cherwell Leisure Limited

Company Information
for the Year Ended 31 December 2017

DIRECTORS:

D G Swinburn
S L Booker

REGISTERED OFFICE:

Parkwood House
Cuerden Park
Berkeley Drive
Preston
Lancashire
PR5 6BY

REGISTERED NUMBER:

04207126 (England and Wales)

INDEPENDENT AUDITORS:

RSM UK Audit LLP
Chartered Accountants and Statutory Auditors
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Cherwell Leisure Limited

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the Company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company in year under review was that of construction and management of new leisure facilities for Cherwell District Council under a Design, Build, Operate and Maintain contract.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

D G Swinburn
S L Booker

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company uses financial instruments comprising cash, trade receivables and trade payables that arise directly from its operations. The main purpose of the financial instruments is to fund ongoing operations.

Liquidity risk

The Company seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The Company finances its operations from retained profits, therefore the risk arising from material fluctuations in interest rates is considered minimal.

Currency risk

The Company operates wholly within the United Kingdom and all transactions are denominated in Sterling. Consequently the Company is not exposed to currency risk.

Credit risk

The Company has no significant concentrations of credit risk. The Company has implemented policies that require appropriate credit checks on potential customers before sales commence. Surplus funds held in the Company are invested, in line with board-approved policy, in high quality, short-term liquid instruments, usually money market funds or bank deposits. Accordingly, the possibility of material loss arising in the event of non-performance by counterparties is considered to be unlikely.

POLITICAL DONATIONS AND EXPENDITURE

Political donations and expenditure in the year amounted to £nil (2016: £nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of this report confirms that:

- so far as they are aware, there is no relevant audit information 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 section 418 of the Companies Act 2006.

AUDITORS

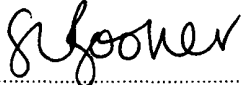
A resolution to re-appoint RSM UK Audit LLP as auditors for the ensuing year will be proposed at the next general meeting of the Company.

Cherwell Leisure Limited

Report of the Directors
for the Year Ended 31 December 2017

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
S L Booker - Director

Date: 27 APRIL 2018

**Independent Auditors' Report to the Members of
Cherwell Leisure Limited**

Opinion

We have audited the financial statements of Cherwell Leisure Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Members of
Cherwell Leisure Limited**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.



Eric Solomons (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

27 April 2018

Cherwell Leisure Limited

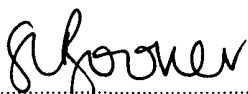
Statement of Comprehensive Income
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
REVENUE		1,487,607	1,450,783
Cost of sales		<u>1,487,607</u>	<u>1,450,783</u>
GROSS PROFIT		-	-
OPERATING PROFIT		-	-
Interest receivable and similar income	3	<u>525</u>	<u>394</u>
PROFIT BEFORE TAXATION	4	525	394
Tax on profit	5	<u>101</u>	<u>78</u>
PROFIT FOR THE FINANCIAL YEAR		424	316
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>424</u>	<u>316</u>

Statement of Financial Position
31 December 2017

	Notes	£	2017 £	£	2016 £
CURRENT ASSETS					
Debtors	6		112,798		205,560
Cash at bank			<u>2,349,651</u>		<u>1,915,391</u>
			2,462,449		2,120,951
CREDITORS					
Amounts falling due within one year	7		<u>1,204,588</u>		<u>1,183,220</u>
NET CURRENT ASSETS			<u>1,257,861</u>		<u>937,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,257,861		937,731
PROVISIONS FOR LIABILITIES	8		<u>1,257,140</u>		<u>937,434</u>
NET ASSETS			<u>721</u>		<u>297</u>
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Retained earnings	10		<u>719</u>		<u>295</u>
SHAREHOLDERS' FUNDS			<u>721</u>		<u>297</u>

The financial statements were approved by the Board of Directors on 27 APRIL 2018 and were signed on its behalf by:



S L Booker - Director

Cherwell Leisure Limited

Statement of Changes in Equity
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	2	(21)	(19)
Changes in equity			
Total comprehensive income	-	316	316
Balance at 31 December 2016	2	295	297
Changes in equity			
Total comprehensive income	-	424	424
Balance at 31 December 2017	2	719	721

1. STATUTORY INFORMATION

Cherwell Leisure Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared on the going concern basis, in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Adoption of new and revised standards

At the date of authorisation of these financial statements, the following standards and interpretations have been published but are not yet effective, and have not been adopted early by the Company in preparing the financial statements:

- | | |
|--|----------------------------|
| • IFRS 15 Revenue from Contracts with Customers | (effective 1 January 2018) |
| • IFRS 16 Leases | (effective 1 January 2019) |
| • IFRS 2 Share Based Payments (amended) | (effective 1 January 2018) |
| • IFRS 4 Insurance Contracts (amended) | (effective 1 January 2018) |
| • IFRIC 22 Foreign Currency Transactions and Advance Consideration | (effective 1 January 2018) |
| • IAS 40 Investment Property (amended) | (effective 1 January 2018) |

None of the above standards are expected to have any significant impact on the Company's financial statements.

Changes in accounting policies

There have been no other changes in accounting policies during the year and accounting policies have been consistently applied with the prior year.

Critical accounting estimates and judgements

The preparation of the Company's financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement when applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the present circumstances. There are no areas that involve a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the Company's financial statements.

Revenue

Revenue is the total amount receivable by the Company for management services provided, excluding VAT and trade discounts. Revenue is matched to the periods for which a service is being provided to a customer.

Contractual maintenance costs

Contractual maintenance costs are the total amount owed by the Company for maintenance services, excluding VAT. Contractual maintenance costs are recognised in the period for which they are incurred by the Company.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is recognised in profit or loss when there is reliable evidence that the Company will not be able to fully collect the balance of the amount due. The amount of the provision is the difference between the carrying amount and the recoverable amount being the present value of the expected future cash flows, discounted at the original effective interest rate.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
Deposit account interest	<u>525</u>	<u>394</u>

4. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2017	2016
	£	£
Contractual maintenance costs	505,081	369,871
Auditors remuneration	<u>648</u>	<u>648</u>

As in the prior year, D G Swinburn received remuneration from Parkwood Project Management Limited, a group undertaking. S L Booker received remuneration from Parkwood Healthcare Limited, a related undertaking. The Company had no employees in the year (2016: Nil)

5. TAXATION

Analysis of tax expense

	2017	2016
	£	£
Current tax:		
Tax	<u>101</u>	<u>78</u>
Total tax expense in statement of comprehensive income	<u>101</u>	<u>78</u>

Factors affecting the tax expense

The tax assessed for the year is higher (2016 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before income tax	<u>525</u>	<u>394</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	101	79
Effects of:		
Adjustment in respect of prior years	-	(1)
Tax expense	<u>101</u>	<u>78</u>

The standard rate of current tax for the year based on the UK standard rates of corporation tax is 19.25% (2016: 20%). Reductions in the corporation tax rate to 17% from 1 April 2020 have been substantively enacted at the statement of financial position date.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	-	82,128
Amounts owed by participating interests	3,623	-
Other debtors	667	2,167
VAT	4,337	17,029
Prepayments and accrued income	<u>104,171</u>	<u>104,236</u>
	<u>112,798</u>	<u>205,560</u>

Cherwell Leisure Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

All of the trade and other debtors above were receivable under normal commercial terms of 30 days. The directors consider that the carrying value of trade and other debtors approximates to their fair value. A provision of £nil (2016: £nil) was held against debtors.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	155,958	204,985
Amounts owed to participating interests	-	11,753
Tax	101	79
Other creditors	446,765	232,419
Accruals and deferred income	601,764	733,984
	<u>1,204,588</u>	<u>1,183,220</u>

Trade purchases are made under normal commercial terms. The directors consider that the carrying value of trade and other creditors approximates to their fair value.

8. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Other provisions	<u>1,257,140</u>	<u>937,434</u>
		Maintenance provision
		£
Balance at 1 January 2017		1,168,603
Charge to Statement of Comprehensive Income during year		<u>534,052</u>
Balance at 31 December 2017		<u>1,702,655</u>

During the year a provision of £534,052 (2016: £516,134) was recognised in respect of future maintenance costs on council-owned assets that the Company has a contractual obligation to maintain. Of the balance, £445,515 (2016: £231,169) is expected to be utilised within twelve months and is disclosed under other creditors. £1,257,140 (2016: £937,434) is expected to be utilised after twelve months.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
2	Ordinary	1.00	<u>2</u>	<u>2</u>

10. RESERVES

	Retained earnings
	£
At 1 January 2017	295
Profit for the year	<u>424</u>
At 31 December 2017	<u>719</u>
	Retained earnings
	£
At 1 January 2016	(21)
Profit for the year	<u>316</u>
At 31 December 2016	<u>295</u>

11. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent company is Leisureplan Limited which is incorporated in England and Wales. The Company's ultimate parent company is Parkwood Leisure Holdings Limited, a limited liability company incorporated and domiciled in England and Wales. The Company's registered head office and principal trading address is Parkwood House, Cuerden Park, Berkeley Drive, Preston, Lancashire, PR5 6BY. The largest and smallest group in which the results of the Company are consolidated is that headed by Parkwood Leisure Holdings Limited. Copies of the ultimate parent undertaking's consolidated financial statements are available from Companies House.

12. ULTIMATE CONTROLLING PARTY

It is with great sadness to report the Company's founder and majority shareholder A W Hewitt died on 31 December 2017.

The ultimate controlling party is now M P Hewitt, the majority shareholder of the ultimate parent undertaking.