

Registration number: 04222446

Serco Manchester Leisure Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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Serco Manchester Leisure Limited

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Serco Manchester Leisure Limited

Company Information

Directors	S Lawrence I M Phelps A J B Young M Boulton
Registered office	Serco House, 16 Bartley Wood Business Park Bartley Way Hook, Hampshire, RG27 9UY
Auditor	Deloitte LLP London United Kingdom

Serco Manchester Leisure Limited

Strategic Report for the Year Ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

Principal activity

The principal activity of the company is the provision of leisure centre management services.

Business review

Due to the ending of the Company's participation in its main contract in September 2014 and the intention of the directors to wind up the company following this, these accounts have been prepared on a basis other than going concern.

No dividend was paid in either the current and preceding period.

Given the straightforward nature of the business, the Company's directors are of the opinion that using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to alternative leisure pursuits for facility users. Due to the ending of the Company's participation in its main contract in September 2014 and the intention of the directors to wind up the company following this, these accounts have been prepared on a basis other than going concern.

Approved by the Board on 12 September 2016 and signed on its behalf by:



.....
I M Phelps
Director

Serco Manchester Leisure Limited

Directors' Report for the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015. As set out in note 2 to the financial statements, due to the ending of the Company's participation in its main contract in September 2014 and the intention of the directors to wind up the company following this, these accounts have been prepared on a basis other than going concern.

Directors of the company

The directors who held office during the year were as follows:

S Lawrence

C J Rushton (resigned 16 September 2015)

E O'Rourke (resigned 16 September 2015)

I M Phelps

A J B Young

M Boulton

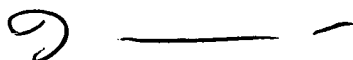
Disclosure of information to the auditors

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditor

In accordance with Section 487 of the Companies Act 2006, Deloitte LLP has not been re-appointed as the Company's auditor. Following a competitive tender process, KPMG LLP have confirmed their willingness to be appointed as the Company's auditor for the year ending 31 December 2016.

Approved by the Board on 12 September 2016 and signed on its behalf by:



.....
I M Phelps
Director

Serco Manchester Leisure Limited

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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the 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.

Serco Manchester Leisure Limited

Independent Auditor's Report to the Members of Serco Holdings Limited

We have audited the financial statements of Serco Manchester Leisure Limited for the year ended 31 December 2015, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 12. 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), including FRS 101 Reduced Disclosure Framework.

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 in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 December 2015 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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

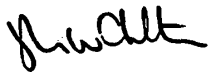
Serco Manchester Leisure Limited

Independent Auditor's Report to the Members of Serco Holdings Limited

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



John Charlton (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor

London
United Kingdom

12 September 2016

Serco Manchester Leisure Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover	3	4	425
Cost of sales		-	(113)
Operating profit		4	312
Interest receivable and similar income	4	4	3
Profit before tax		8	315
Tax on profit on ordinary activities	8	-	-
Profit for the financial year		8	315

The above results were derived from discontinued operations.

There were no items of other comprehensive income, and accordingly no statement of comprehensive income is shown.

Serco Manchester Leisure Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

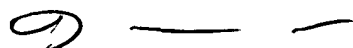
	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2014	-	923	923
Profit for the year	-	315	315
At 31 December 2014	-	1,238	1,238
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	-	1,238	1,238
Profit for the year	-	8	8
At 31 December 2015	-	1,246	1,246

The notes on pages 10 to 14 form an integral part of these financial statements.

Serco Manchester Leisure Limited
(Registration number: 04222446)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Current assets			
Debtors: amounts falling due within one year	9	1,031	144
Cash at bank and in hand		<u>215</u>	<u>1,158</u>
		1,246	1,302
Creditors: amounts falling due within one year			
Creditors: amounts falling due within one year	10	<u>-</u>	<u>(64)</u>
Net assets		<u><u>1,246</u></u>	<u><u>1,238</u></u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		<u>1,246</u>	<u>1,238</u>
Shareholder's funds		<u><u>1,246</u></u>	<u><u>1,238</u></u>

The financial statements (registered number: 04222446) were approved by the Board on 12 September 2016 and signed on its behalf by:



.....
I M Phelps
Director

Serco Manchester Leisure Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The company is a private company limited by share capital incorporated and domiciled in United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

These financial statements are presented in pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transaction disclosures. This is because the Company is included within the consolidated financial statements of Serco Group plc which are available from the address provided in note 12.

The financial statements have been prepared on a break up basis as a result of the financial statements being prepared on a basis other than going concern.

Serco Manchester Leisure Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Adoption of new and revised Standards

Annual Improvements to IFRSs: 2011-2013 Cycle

Type: Amendments

Background:

Covers various matters:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 3 Business Combinations
- IFRS 13 Fair Value Measurement
- IAS 40 Investment Property

Effective for annual periods beginning on or after 1 January 2015, following EU Adoption.

Impact on the Company:

- IFRS 1 is not relevant as IFRSs have already been adopted
- IFRS 3 changes relate to accounting within joint arrangements themselves and are therefore not relevant.
- IFRS 13 was amended to clarify the scope of the portfolio exception, which is not applied in the Company financial statements.
- IAS 40 is not relevant to the Company as no investment properties are held.

IFRIC 21 Levies

Type: New interpretation

Background:

The interpretation was issued to clarify the timing of recognition of a levy payment, being a payment to a government for which no specific goods or services are received.

Impact on the Company:

No levy payments are made by the Company.

Going concern

Due to the ending of the Company's participation in its main contract in September 2014 and the intention of the directors to wind up the company following this, these accounts have been prepared on a basis other than going concern.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts due for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income is deferred when the Company has received consideration under the terms of a contract in advance of performing the related service or delivering the associated goods. Deferred income is recognised as revenue in the profit and loss account when the Company has fulfilled the relevant contractual commitment.

Turnover on repeat service-based contracts is recognised as services are provided.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Serco Manchester Leisure Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for accounting purposes.

3 Turnover

The analysis of the company's turnover for the year from discontinued operations is as follows:

	2015 £ 000	2014 £ 000
Rendering of services	<u>4</u>	<u>425</u>

4 Interest receivable and similar income

	2015 £ 000	2014 £ 000
Bank interest receivable	<u>4</u>	<u>3</u>

5 Staff costs

The Company had no employees during either the current or preceding financial year.

6 Directors' remuneration

No director received remuneration for their services to the Company in either the current or preceding year.

7 Auditor's remuneration

Auditor's remuneration of £2,250 (2014: £3,000) for the audit of the Company's annual accounts was borne by another group company in both the current and preceding financial years. There have been no non-audit fees incurred by the Company and payable to Deloitte during the year (2014: £nil).

Serco Manchester Leisure Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

8 Tax

The tax charge on profits on ordinary activities is £nil (2014: £nil).

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit before tax	8	315
Corporation tax at standard rate	2	68
Group relief, no consideration paid	(2)	(68)
Total tax charge	-	-

9 Debtors: amounts falling due within one year

	2015 £ 000	2014 £ 000
Trade debtors	19	-
Amounts owed by group companies	1,000	-
Prepayments	3	-
Accrued income and other debtors	9	144
	1,031	144

Amounts owed by group companies were previously classified as non-current and bear interest at LIBOR plus 2%.

10 Creditors: amounts falling due within one year

	2015 £ 000	2014 £ 000
Social security and other taxes	-	64

Serco Manchester Leisure Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

11 Called up share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	81	81	81	81
B Ordinary shares of £1 each	19	19	19	19
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12 Control

The Company's immediate parent is Serco Holdings Limited.

The ultimate parent and controlling party is Serco Group plc, a company incorporated in the United Kingdom and registered in England and Wales. Serco Group plc is the parent undertaking of the smallest and largest group to consolidate these financial statements. These financial statements are available upon request from the Company Secretary, Serco Group plc, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire RG27 9UY.