

HALTON LEISURE COMMUNITY ASSOCIATION LIMITED

(A Private Company Limited By Guarantee)

ANNUAL REPORT

Year ended 31 March 2008

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Contents

	Page
Company Information	1
Report of the Directors	2
Statement of Directors' Responsibilities	3
Independent Auditors' Report	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8



Company Information

Directors	S Dodd T C Hewett
Secretary	S Dodd
Registered office	Otium House 2 Freemantle Road Bagshot Surrey GU19 5LL
Registered number	04881273
Auditors	Grant Thornton UK LLP Chartered Accountants Grant Thornton House Melton Street London NW1 2EP
Bankers	Lloyds TSB Plc City Office PO Box 72 Bailey Drive Gillingham Business Park Gillingham Kent ME8 0LS



Report of the Directors

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

Principal activity

Halton Leisure Community Association Limited is engaged in the management of leisure facilities.

Business review and future developments

The directors are satisfied with the results for the company during the year. The company will continue to manage these facilities in the future.

Results and dividends

The company's results for the year are set out on page 6. No dividend was paid during the year (2007 - £nil).

Directors

The directors who held office during the period are set out on page 1.

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

- As far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.


Auditors

The auditors, Grant Thornton UK LLP, are willing to continue in office. A resolution to re-appoint Grant Thornton UK LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

The report of the directors was approved by the Board on 24th October 2008 and signed on its behalf by:



S Dodd
Director



Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which 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 1985. 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.



Independent Auditors' Report to the Members of Halton Leisure Community Association Limited

We have audited the financial statements on pages 6 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Independent Auditors' Report to the Members of Halton Leisure Community Association Limited (Continued)

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 March 2008 and of its profit for the period then ended.
- the financial statements have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.
- The information given in the Directors' report is consistent with the financial statements.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants and Registered Auditor
London, England

24 October 2008



Profit and Loss Account
for the year ended 31 March 2008

	Note	2008 £	2007 £
Turnover	1	2,471,635	2,352,344
Cost of sales		(2,119,243)	(2,013,188)
Gross profit		352,392	339,156
Administrative expenses		(350,871)	(337,592)
Profit on ordinary activities before taxation	2	1,521	1,564
Tax on profit on ordinary activities	3	(263)	(262)
Profit on ordinary activities after taxation being retained profit for the financial year		1,258	1,302
Retained profit bought forward		1,728	426
Retained profit carried forward		2,986	1,728

All amounts derive from continuing activities.

There are no recognised gains or losses or movements in deficit for the current financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses or reconciliation of funds has been presented.



Balance Sheet **at 31 March 2008**

	Note	2008 £	2007 £
Current assets			
Stock	4	20,727	19,868
Debtors	5	1,060,627	1,275,788
Cash at bank and in hand		83,579	80,652
		<u>1,164,933</u>	<u>1,376,308</u>
Creditors: amounts falling due within one year	6	(352,666)	(514,423)
Net current assets		<u>812,267</u>	<u>861,885</u>
Creditors: amounts falling due after more than one year	7	(698,000)	(736,000)
Accruals and deferred income	8	(111,281)	(124,157)
Net assets		<u>2,986</u>	<u>1,728</u>
Reserves			
Profit and loss account		<u>2,986</u>	<u>1,728</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 24th October 2008 and signed on its behalf by:



S Dodd
Director



Notes to the Financial Statements

31 March 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention and going concern

The financial statements are prepared under the historical cost convention.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided in full on material timing differences at the rate of taxation anticipated to apply when these differences crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised where it is more likely than not that it will be recoverable in the future. Deferred tax assets and liabilities recognised are not discounted.

Deferred income

Income received in advance for courses and memberships is deferred and recognised in the period to which it relates.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of Value Added Tax. The turnover, all of which arises in the United Kingdom, is attributable to the company's principal activity.

Leases

Operating lease rentals are charged to the profit and loss account as they arise over the lease term on a straight line basis.

Pension costs

The company has admitted body status and contributes on behalf of its employees to a local government pension scheme. The contributions are paid in accordance with the advice of the actuary but the company has no further liability to fund the scheme beyond its contributions paid in the year. Contributions are therefore charged to the profit and loss account in the year in which they are incurred.

Cash flow statement

Under the provisions of FRS1, the Company is exempt from producing a cash flow statement since it is a wholly owned subsidiary of a United Kingdom company that produces a consolidated cash flow statement.



Notes to the Financial Statements (Continued)

31 March 2008

2. OPERATING PROFIT

	2008 £	2007 £
Operating profit is after charging:		
Operating lease rentals - plant and equipment	7,545	6072
Pension costs	36,536	34,248
Auditors remuneration - audit fees	1,500	1,400
	<u>7,545</u>	<u>6072</u>

None of the directors received any direct remuneration from the company for their services to the company during the current financial period (2007: nil). The directors of the company are also directors of other companies within the DCL (Holdings) Limited group and their remuneration has been borne by another company within the group.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current tax		
UK Corporation tax at 30% (2007: 19%)	263	262
	<u>263</u>	<u>262</u>

The standard rate of tax for the year, based on the UK standard companies rate of corporation tax, is 30% (2007: 19%). The actual tax charge for the current and the previous years differs from the standard rate for the reasons set out in the following reconciliation.

	2008 £	2007 £
Profit on ordinary activities before tax	1,521	1,564
Tax on profit on ordinary activities at standard rate of 30% (2007: 19%)	456	297
<i>Factors affecting charge for the year:</i>		
Differences between depreciation and capital allowances	(162)	(137)
Expenses not deductible for tax purposes	99	102
Differences in tax rates	(130)	-
Total amount of current tax	<u>263</u>	<u>262</u>



Notes to the Financial Statements (Continued)
31 March 2008

4. STOCK

	2008 £	2007 £
Goods for resale	20,727	19,868

5. DEBTORS

	2008 £	2007 £
Trade debtors	20,906	33,281
Amounts owed by parent company	1,009,926	1,113,313
Amounts owed by fellow subsidiaries	196	-
Prepayments and accrued income	29,599	129,194
	<u>1,060,627</u>	<u>1,275,788</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	121,951	129,334
Amounts owed to parent company	170,681	193,064
Amounts owed to fellow subsidiaries	126	-
Other taxation and social security costs	59,645	191,763
Corporation tax	263	262
	<u>352,666</u>	<u>514,423</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Amounts owed to parent company	698,000	736,000

There is no fixed date for repayment of the amounts owed to the parent company. However D.C. Leisure Management Limited has confirmed that the loan will not be repayable for at least one year from the balance sheet date. No interest is charged on this loan.



Notes to the Financial Statements (Continued)

31 March 2008

8. ACCRUALS AND DEFERRED INCOME

	2008 £	2007 £
Accruals	82,216	95,954
Deferred income	29,065	28,203
	<u>111,281</u>	<u>124,157</u>

9. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company was committed to making the following payments during the next year in respect of operating leases:

	Other 2008 £	Other 2007 £
Leases which expire:		
Within one year	3,884	-
Within two to five years	3,661	6,072
	<u>7,545</u>	<u>6,072</u>

10. GUARANTEE

The Company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, the members of the company are liable to contribute up to £1 each in the event of the company being wound up.

11. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of DCL (Holdings) Limited which produces consolidated financial statements and accordingly has taken advantage of the exemption provided under FRS 8 not to disclose certain intra-group transactions with related parties.

12. PARENT COMPANY AND CONTROLLING PARTY

It is the opinion of the directors that the immediate parent company is DC Leisure Management Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is a fund managed by Sovereign Capital Partners LLP, a Limited Liability Partnership registered in England and Wales.

DCL (Holdings) Limited, incorporated in England and Wales, is the parent company of the only group which includes this company for which consolidated accounts are prepared. The financial statements of DCL (Holdings) Limited are available on request to the Company Secretary, Otium House, 2 Freemantle Road, Bagshot, Surrey, GU19 5LL.

