Grant Thornton

Financial statements
Halton Leisure Community Association Limited
A Private Company Limited by Guarantee

For the Year Ended 31 March 2011

DC LEISURE **Company No.** 04881273

Developing Community Leisure

Company information

Company registration number	04881273
Registered office	Ottum House 2 Freemantle Road Bagshot Surrey GU19 5LL
Directors	S Dodd T C Hewett
Secretary	S Dodd
Bankers	Lloyds TSB Bank plc City Office PO Box 72 Bailey Drive Gillingham Business Park GILLINGHAM Kent ME8 0LS
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Contents

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2011

Principal activities

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 are set out in the Profit and Loss Account No dividend was paid during the year (2010 £nil)

Directors

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

S Dodd
T C Hewett

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) 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 those financial statements, the directors are required to

- select suitable accounting policies and then 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

Report of the directors (continued)

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

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

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

S Dodd
Secretary
01 July 2011

Grant Thornton

Independent auditor's report to the members of Horsham Leisure Community Association Limited

We have audited the financial statements of Halton Leisure Community Association Limited for the year ended 31 March 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes 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 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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

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 31 March 2011 and of its result 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

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Independent auditor's report to the members of Halton Leisure Community Association 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, 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 in preparing the report of the directors

Grant Thornton UK LLP

PERRY BURTON (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS

.....1...July 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Cash flow statement

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

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

Stocks

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

Operating lease agreements

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

On 1 May 2004 the company's parent company established, as principal employer, the DC Leisure Pension Scheme The pension costs in respect of the DC Leisure Pension Scheme are assessed in accordance with the advice of an independent, qualified actuary

FRS 17 disclosures in respect of the DC Leisure Pension Scheme are disclosed in the ultimate parent company's financial statements As the scheme is funded on a group basis, it is not possible for the company to identify its share of the deficit Therefore contributions to the pension scheme are charged to the profit and loss account as incurred

Principal accounting policies (continued)

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Deferred income

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

Profit and loss account

	Note	2011 £	2010 £
Turnover		**2,292,045**	2,520,167
Cost of sales		**(2,105,656)**	(2,134,598)
Gross profit		**186,389**	385,569
Other operating charges	1	**(186,389)**	(384,669)
Profit on ordinary activities before taxation	2	**–**	900
Tax on profit on ordinary activities	3	**–**	1
Profit for the financial year		**–**	901
Balance brought forward		**11,063**	10,162
Balance carried forward		**11,063**	11,063

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

Balance sheet

	Note	2011 £	2010 £
Current assets			
Stocks	4	**25,644**	20,994
Debtors	5	**493,568**	429,787
Cash at bank		**160,918**	109,102
		680,130	559,883
Creditors: amounts falling due within one year	7	**(205,853)**	(394,494)
Net current assets		**474,277**	165,389
Total assets less current liabilities		**474,277**	165,389
Creditors amounts falling due after more than one year	8	**(291,217)**	–
Accruals and deferred income	9	**(171,997)**	(154,326)
		11,063	11,063
Reserves	12		
Profit and loss account		**11,063**	11,063
Members' funds		**11,063**	11,063

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 01 July 2011, and are signed on their behalf by

S Dodd

S Dodd
Director

Company Registration Number 04881273

Notes to the financial statements

1 Other operating charges

	2011	2010
	£	£
Administrative expenses	186,389	384,669

2 Operating profit

Operating profit is stated after charging

	2011	2010
	£	£
Operating lease rentals – plant and manchinery	2,241	9,778
Auditor's fees	1,547	1,755

None of the directors received any direct remuneration from the company for their services to the company during the current financial year (2010 - £nil)

3 Taxation on ordinary activities

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
UK Corporation tax based on the results for the year at 28% (2010 - 21%)	-	216
Total current tax	-	216
Deferred tax		
Origination and reversal of timing differences (note 6)		
Capital allowances	-	(217)
Tax on profit on ordinary activities	-	(1)

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3 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 28% (2010 - 21%)

	2011	2010
	£	£
Profit on ordinary activities before taxation	-	900
Profit on ordinary activities by rate of tax	-	189
Expenses not deductible / (income not taxable)	-	80
Capital allowances for period in excess of depreciation	-	(54)
Adjustments to tax charge in respect of previous periods	-	1
Total current tax (note 3(a))	-	216

4 Stocks

	2011	2010
	£	£
Goods for resale	25,644	20,994

5 Debtors

	2011	2010
	£	£
Trade debtors	36,333	30,330
Amounts owed by group undertakings	438,456	376,741
Prepayments and accrued income	18,562	22,499
Deferred taxation (note 6)	217	217
	493,568	429,787

6 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2011	2010
	£	£
Included in debtors (note 5)	217	217

The movement in the deferred taxation account during the year was

	2011	2010
	£	£
Balance brought forward	217	-
Profit and loss account movement arising during the year	-	217
Balance carried forward	217	217

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011	2010
	£	£
Excess of depreciation over taxation allowances	217	217
	217	217

7 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	122,546	149,721
Amounts owed to group undertakings	8,681	188,764
Corporation tax	–	216
Other taxation and social security	74,626	55,793
	205,853	394,494

8 Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Amounts owed to group undertakings	291,217	–

9 Accruals and deferred income

	2011	2010
	£	£
Falling due within one year		
Accruals	**154,687**	129,376
Deferred Income	**17,310**	24,950
	171,997	154,326

10 Commitments under operating leases

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 1 year	**2,319**	-
Within 2 to 5 years	-	9,084
	2,319	9,084

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 Company limited by 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

13 Profit and loss account

	2011	2010
	£	£
Balance brought forward	**11,063**	10,162
Profit for the financial year	–	901
Balance carried forward	**11,063**	11,063

14 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