

Company Registration No. 5138159

SNOZONE (BRAEHEAD) LIMITED

Report and Financial Statements

31 December 2006

WEDNESDAY



L5PNPQDU

LD2

13/06/2007

306

COMPANIES HOUSE

SNOZONE (BRAEHEAD) LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS

	Page
Officers	1
Directors' report	2-3
Statement of directors' responsibilities	4
Independent Auditors' report	5-6
Profit and Loss Account	7
Balance sheet	8
Notes to the accounts	9-14

SNOZONE (BRAEHEAD) LIMITED

OFFICERS

DIRECTORS

M Barber
K Ford
X Pullen
W Sunnucks
A Lewis-Pratt
PY Gerbeau

SECRETARY

F Desai

REGISTERED OFFICE

10 Lower Grosvenor Place
London
SW1W 0EN

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

SNOZONE (BRAEHEAD) LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company is that of operator of the real snow, indoor ski slope at Xscape Braehead

TRADING REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the results for the year were satisfactory and the outlook for the future is favourable

RESULTS

The loss for the year was £771,768

The directors consider the key performance indicators are turnover and gross profit, which are set out on page 7 of the financial statements

PRINCIPAL RISK AND UNCERTAINTIES

The directors have considered the operational and financial risks attached to the financial statements, which principally comprise of entry into the Scottish market. The directors have taken an active approach in consideration of this risk incorporating strategic targeted marketing into the business model

The company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and financial statements

The directors do not recommend the payment of a dividend (2005 £nil)

DIRECTORS

The directors of the company throughout the year and at the year end were

M Barber
X Pullen
K Ford
A Lewis-Pratt
W Sunnucks
PY Gerbeau

DIRECTORS' INTERESTS

The interests of the directors in the share capital and share options of the ultimate parent company, Capital & Regional plc, are disclosed in the Report and Accounts of that company

K Ford has an interest in the following group company

	Ordinary shares of £1 each			
	2006		2005	
	Shares No.	Options No	Shares No.	Options No
Netherton Developments Ltd	50	-	50	-

Except as noted above, none of the directors had any beneficial interest at any time during the period, in the share capital of the company or any other company in the group

SNOZONE (BRAEHEAD) LIMITED

DIRECTORS' REPORT

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of the report confirms that

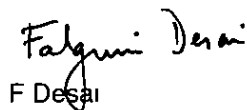
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with s234ZA of the Companies Act 1985

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By Order of the Board


F Desai

Secretary

11 June 2007

SNOZONE (BRAEHEAD) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 proper accounting records that 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 SNOZONE (BRAEHEAD) LIMITED - CONTINUED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNOZONE (BRAEHEAD) LIMITED

We have audited the financial statements of Snozone (Braehead) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 SNOZONE (BRAEHEAD) 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 the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

12/6/ 2007

SNOZONE (BRAEHEAD) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2006

	Note	2006 £	2005 £
TURNOVER	2	2,388,961	-
Cost of sales		(2,716,123)	-
GROSS LOSS		(327,162)	-
Administrative expenses		(441,750)	-
Other operating income		6,256	-
OPERATING LOSS		(762,656)	-
Interest receivable and similar income	5	8,052	-
Interest payable and similar charges	6	(7,378)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(761,982)	-
Tax on profit on ordinary activities	7	(9,786)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE YEAR		(771,768)	-

All of the company's activities during the year relate to continuing operations within the meaning of Financial Reporting Standard No 3

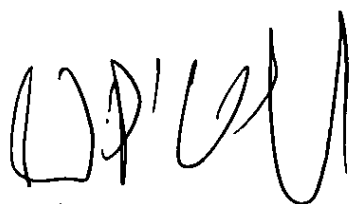
The company has no recognised gains or losses other than those included above for the current or prior financial year and therefore no separate statement of total recognised gains and losses has been presented

SNOZONE (BRAEHEAD) LIMITED

BALANCE SHEET As at 31 December 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	8	436,850	-
CURRENT ASSETS			
Stocks	9	47,625	-
Debtors	10	276,326	2
Cash at bank and in hand		509,311	-
		<u>833,262</u>	<u>2</u>
CREDITORS – amounts due within one year	11	<u>(1,085,858)</u>	<u>-</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(252,596)</u>	<u>2</u>
CREDITORS – amounts due in more than one year	12	(946,234)	-
Provision for liabilities and charges	13	<u>(9,786)</u>	<u>-</u>
NET (LIABILITIES)/ASSETS		<u>(771,766)</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account		<u>(771,768)</u>	<u>-</u>
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS	15	<u>(771,766)</u>	<u>2</u>

The financial statements were approved by the Board of Directors and signed on their behalf on 11 June 2007 by



W Sunnucks
Director

SNOZONE (BRAEHEAD) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable UK law and accounting standards and with the Companies Act 1985. The financial statements have been prepared under the historical cost convention using the following principal accounting policies, which have been applied consistently in the current year.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a subsidiary of another company for which consolidated accounts are prepared.

Cash flow statement

The company is a wholly owned subsidiary of Capital & Regional plc and the cash flows of the company are included in the consolidated cash flow statement of Capital & Regional plc. Consequently the company is exempt under Financial Reporting Standard No 1 (Revised) from the requirement to prepare a cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Fixed assets are depreciated so as to write off their cost less their estimated residual values, on a straight line basis over their expected useful lives. The principal annual rates used for this purpose are:

Computer equipment	-	20% - 50% per annum on cost
Office equipment	-	33% - 50% per annum on cost
Operations equipment		20% - 50% per annum on cost

Deferred taxation

Deferred tax is provided in accordance with FRS 19 ("Deferred Tax") on all timing differences which have originated but not reversed at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Current taxation

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 balance sheet date.

Lease incentives

Rent frees obtained from the lessor are recognised in the profit and loss account over the earlier of either the period of the lease, or, to when the rent is adjusted to the prevailing market rate, usually the first rent review.

Capital contributions received from the lessor are shown as a creditor, and released to the profit and loss account over the earlier of either the period of the lease, or, to when the rent is adjusted to the prevailing market rate, usually the first rent review.

Stock

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

2. TURNOVER

The turnover is attributable to the company's principal activity as operator of the real snow indoor ski slopes at Xscape Braehead. The whole turnover and profit before taxation arise within the United Kingdom and are stated net of value added tax.

SNOZONE (BRAEHEAD) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2006

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 December 2006 £	Year ended 31 December 2005 £
This is arrived at after charging		
Depreciation of owned assets	102,124	-
Auditors' remuneration	8,000	-
	<u>110,124</u>	<u>-</u>

The company's auditors received £nil (2005 £nil) during the year for provision of non-audit services to the company

Fees paid to the company's auditors, Deloitte & Touche LLP, and its associates for services other than the statutory audit of the company are not disclosed in Snozone (Braehead) Limited's accounts since the consolidated accounts of its parent, Capital & Regional plc, are required to disclose non-audit fees on a consolidated basis

The directors received no emoluments in respect of their services to the company (2005 £nil)

4. EMPLOYEE INFORMATION

	Year ended 31 December 2006 £	Year ended 31 December 2005 £
Wages and salaries	982,048	-
Social security costs	69,475	-
	<u>1,051,523</u>	<u>-</u>

The average weekly number of employees during the year (excluding directors) was

	No.	No.
Management and administration	95	-

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2006 £	Year ended 31 December 2005 £
Bank interest	8,052	-

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2006 £	Year ended 31 December 2005 £
Group interest	7,378	-

SNOZONE (BRAEHEAD) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2006

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 December 2006 £	Year ended 31 December 2005 £
Current tax	-	-
Deferred tax	-	-
On origination and reversal of timing differences	9,786	-
Total taxation	9,786	-
Tax reconciliation	Year ended 31 December 2006 £	Year ended 31 December 2005 £
Loss on ordinary activities before tax	(761,982)	-
Expected tax at 30% thereon	(228,595)	-
Effects of Expenditure not deductible for tax purposes	32,163	-
Capital allowances	(40,423)	-
Group relief surrendered for which no payment is due	236,855	-
Current tax charge for the year	-	-

8. TANGIBLE ASSETS

	Snow equipment £	Office equipment £	Operations equipment £	Total £
Cost				
At 1 January 2006	-	-	-	-
Additions	91,558	31,611	415,805	538,974
At 31 December 2006	91,558	31,611	415,805	538,974
Depreciation				
At 1 January 2006	-	-	-	-
Charge for the year	17,214	5,773	79,137	102,124
At 31 December 2006	17,214	5,773	79,137	102,124
Net book value				
At 31 December 2006	74,344	25,838	336,668	436,850
At 31 December 2005	-	-	-	-

SNOZONE (BRAEHEAD) LIMITED

NOTES TO THE ACCOUNTS **Period ended 31 December 2006**

9. STOCK

	2006	2005
	£	£
Liquor and dry foods for resale	7,925	-
Merchandise for resale	7,242	-
Security Tagging	8,330	-
Ski equipment stock	24,128	-
	<u>47,625</u>	<u>-</u>

10. DEBTORS

	2006	2005
	£	£
Trade debtors	90,525	-
Other debtors	2	2
Prepayments and accrued income	185,799	-
	<u>276,326</u>	<u>2</u>

11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	128,435	-
Other creditors	468,036	-
Taxation and social security	137,933	-
Accruals and deferred income	351,454	-
	<u>1,085,858</u>	<u>-</u>

Included in other creditors is the portion of the unamortised tenant incentives that will be released to the profit and loss account within twelve months

12. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	2006	2005
	£	£
Other creditors	946,234	-
	<u>946,234</u>	<u>-</u>

Included in other creditors is the portion of the unamortised tenant incentives that will be released to the profit and loss account after one year

SNOZONE (BRAEHEAD) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2006

13. PROVISION FOR LIABILITIES AND CHARGES

Deferred tax

The amounts of deferred tax provided and un-provided in the amounts is as follows

	2006 Provided £	2005 Provided £	2006 Unprovided £	2005 Unprovided £
Accelerated capital allowances	<u>9,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax provided at 1 January 2006				-
Charge to the profit and loss				<u>9,786</u>
Deferred tax provided at 31 December 2006				<u>9,786</u>

14. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15. RESERVES

	2006 £	2005 £
At 1 January	-	-
Loss for the year	<u>(771,768)</u>	<u>-</u>
At 31 December	<u>(771,768)</u>	<u>-</u>

16. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS

	2006 £	2005 £
Opening equity shareholders' funds	2	2
Loss for the year	<u>(771,768)</u>	<u>-</u>
Closing equity shareholders' (deficit)/funds	<u>(771,766)</u>	<u>2</u>

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 (Related party disclosures) from disclosing transactions with entities within the Capital & Regional Plc group

SNOZONE (BRAEHEAD) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2006

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Snozone Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Snozone Holdings Limited is an immediate subsidiary of Capital & Regional plc.

The ultimate parent company and controlling party is Capital & Regional plc, also incorporated in Great Britain and registered in England and Wales. Capital & Regional plc is the smallest and largest group of which the company is a member, for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Capital & Regional plc can be obtained from The Secretary, 10 Lower Grosvenor Place, London, SW1W 0EN.