Brasher Leisure Limited

Directors' report and financial statements

Registered number 999421

29 April 2012

WEDNESDAY

A214DP3N

A44 30/01/2013 #195

COMPANIES HOUSE

Contents

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	4
Independent auditor's report to the members of Brasher Leisure Limited	5
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Statement of total recognised gains and losses	9
Notes	10

Officers and professional advisers

The board of directors	H W Brasher S J Brasher Nick Pearson Sarah Tanner Michelle David Gill Thomas
Company secretary	H W Brasher
Registered office	12 Station Road Hampton Middlesex TW12 2BX
Auditor	KPMG LLP Arlington Business Park Theale Reading RG7 4SD United Kingdom

Directors' report

The directors have pleasure in presenting their report and the financial statements of the company for the period from 2 May 2011 to 29 April 2012

Principal activities and business review

The principal activity of the company is a specialist running retailer

We are the U K's number one performance running retailer (measured on volume of running shoes sold to run in, and the number of specialist shops) and for the sixth year running we won 'Best Retailer' in the Runners World awards

In November 2012 we won the prestigious Best Customer Service Team at the National Sales Awards

We entered the Sunday Times best employers competition and were awarded a very positive one star accreditation in December 2011 This is part of our five year plan to be one of 'the U K 's top 50 companies to work for' by 2016

Our focus is expanding the market share and profitability of the business and having a nationwide coverage of 70 stores by 2016

This year core retail gross margin was 45 7% (2011 45 8%)

Overall sales were 10 5% up, like for like retail sales were down 2 2% and internet sales increased by 33 4%

New shops were opened in Westfield Stratford and Southampton in October 2011 Plymouth opened in December 2011 and Rathbone Place (Central London) in February 2012

A further outlet in Trump Street (The City) was opened in November 2012 Set over 3 floors the store will truly integrate the best product available for runners with services and facilities that allow Sweatshop to take helping our customers to a new level With world leading experts, training facilities and equipment such as altitude chambers and zero gravity treadmills, the new concept store will be able to directly support every runner be the best they can be whatever their standard or goal

The lease on our Leicester unit ended and we exited the store on 16th June 2012 Our Milton Keynes store has just undergone refurbishment and our Harbour Club store refurbishment is underway Harrods underwent a full refit and Teddington a mini refit in the year There are also plans to look at transforming our concession stores within health clubs to incorporate a better running destination

Cash-flow management has been careful throughout the year and this has meant that we have not had to use any of the unsecured facility from Sports Direct (initially up to £3million) which still remains available

Whilst we utilise many Key Performance Indicators to monitor our performance, we believe the three shown below are our primary ones

	2011/12	2010/11
Shop like for like growth	**(2 2%)**	(8 7%)
Mail order/internet like for like sales growth	**33.4%**	6 4%
Retail gross margin	**45.7%**	45 8%

Results and dividends

EBITDA before exceptional items was £1,136,401 (2011 £968,328), representing an increase of 17 4%

We were pleased that the underlying profitability of the business increased during this period, however after significant one off exceptional charges, and taxation, the profit for the period amounted to £164,425 (2011 profit of £212,662) Payment of arrears of preference dividends amounting to £122,000 were paid in the year (2011 £70,000)

Financial risk management objectives and policies

In the current financial period the company's principal financial instruments comprise bank overdraft, trade creditors, trade debtors, loans from the Directors and their family and hire purchase / finance leases The main purpose of these instruments is to finance the company's operations

Directors' report (continued)

Due to the nature of the financial instruments used by the company there is no exposure to price risk The company's approach to managing other risks applicable to the financial instruments is shown below

The business prepares an annual budget (with reference to the funding that is available to the business), the actual results are reviewed on a monthly basis and actions as required are taken A cash flow forecast is prepared on a weekly basis to ensure that there are sufficient funds available to meet current liabilities

The business reconciles all cash receipts on a monthly basis and physical stock is continually reconciled throughout the year The business has a relatively low level of invoiced sales on credit and as such has little debtor risk in that area

Directors

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

H W Brasher
S J Brasher
Nick Pearson
Sarah Tanner
Michelle David
Rob Henderson (resigned 1/7/11)

Directors appointed after the period ended 29 April 2012 were as follows,

Gill Thomas (appointed 27/9/2012)

Potential and charitable donations

The company made no political donations during the period *(2011 £nil)* Charitable donations for the period amounted to £24,089 *(2011 £15,900)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

N. Pearson

N Pearson
Managing Director

12 Station Road
Hampton
Middlesex
TW12 2BX

28/01/2013 ~~[Date]~~

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 and applicable law (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,
- state whether applicable UK Accounting Standards have 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditor's report to the members of Brasher Leisure Limited

We have audited the financial statements of Brasher Leisure Limited for the period from 2 May 2011 to 29 April 2012 set out on pages 7 to 23 The financial reporting framework that has been applied in their preparation is applicable law and UK 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 page 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 to express 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 web-site 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 29 April 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

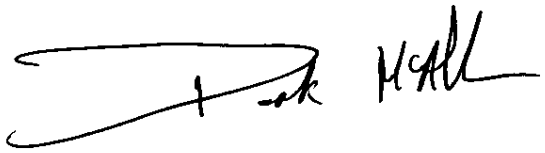
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of Brasher Leisure 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



28/1/13

D McAllan (Senior Statutory Auditor)
For and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants

Profit and loss account

for the period from 2 May 2011 to 29 April 2012

	Note	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Turnover	2	**21,810,098**	19,731,517
Cost of sales		**(11,746,034)**	(10,512,495)
Gross profit		**10,064,064**	9,219,022
Administrative expenses (including exceptional costs of £201,658 (2011 £nil))	8	**(10,776,495)**	(9,657,919)
Other operating income	3	**996,447**	873,613
Operating profit	4	**284,016**	434,716
Interest payable and similar charges	7	**(91,812)**	(124,080)
Profit on ordinary activities before taxation		**192,204**	310,636
Tax on profit on ordinary activities	9	**(27,779)**	(97,974)
Profit for the financial period		**164,425**	212,662

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 period as set out above

Balance sheet
at 29 Apr 2012

	Note	£	29 Apr 2012 £	£	1 May 2011 £
Fixed assets					
Intangible assets	*10*		**88,266**		**104,458**
Tangible assets	*11*		**3,929,127**		**3,459,267**
			4,017,393		**3,563,725**
Current assets					
Stocks	*12*	**4,082,073**		**3,140,077**	
Debtors	*13*	**2,595,184**		**2,256,866**	
Cash at bank and in hand		**7,491**		**6,624**	
		6,684,748		**5,403,567**	
Creditors: amounts falling due within one year	*14*	**(8,054,919)**		**(6,770,170)**	
Net current liabilities			**(1,370,171)**		**(1,366,603)**
Total assets less current liabilities			**2,647,222**		**2,197,122**
Creditors amounts falling due after more than one year	*15*		**(715,038)**		**(483,572)**
Provisions for liabilities					
Deferred taxation	*17*		**(254,015)**		**(299,806)**
			1,678,169		**1,413,744**
Capital and reserves					
Called up share capital	*20*		**8,159**		**8,159**
Share premium account	*21*		**44,777**		**44,777**
Revaluation reserve			**1,021,029**		**921,029**
Other reserves	*22*		**74,000**		**74,000**
Profit and loss account	*23*		**530,204**		**365,779**
Shareholders' funds	*24*		**1,678,169**		**1,413,744**

These financial statements were approved by the board of directors on 28/01/2013 and were signed on its behalf by

N. Pearson

N Pearson

Managing Director

Company registered number 999421

Cash flow statement

for the period from 2 May 2011 to 29 Apr 2012

	Note	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Net cash inflow from operating activities	25	**1,204,426**	855,280
Returns on investments and servicing of finance	25	**(135,982)**	(189,130)
Taxation	25	**(93,477)**	(85,230)
Capital expenditure and financial investment	25	**(1,004,395)**	(866,667)
Cash outflow before financing		**(29,428)**	(285,747)
Financing	25	**65,646**	37,461
Increase/(decrease) in cash in the period	25	**36,218**	(248,286)

The reconciliation of net cash flow to movement in net debt is set out in note 25

Statement of Total Recognised Gains and Losses

for the period 2 May 2011 to 29 April 2012

	Period from 2 May 11 to 29 April 12 2012 £	Period from 26 Apr 10 to 1 May 11 2011 £
Profit for the financial year	**164,425**	212,662
Unrealised surplus on revaluation of properties	**100,000**	-
Total recognised gains and losses relating to the financial year	**264,425**	**212,662**

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain land and buildings

Brasher Leisure Limited collects almost all of its revenues at point of sale (bank cleared within 3 days) or in advance of provision of services Excellent credit terms are available on a substantial part of its costs As a result the company employs a net current liability position Since this is a feature of the company's business model the financial statements have been prepared on a going concern basis Having considered cash flow forecasts for the foreseeable future, the directors consider that this is the appropriate basis for preparation of the financial statements

Turnover

The turnover shown in the profit and loss account represents revenue from goods sold and race events, exclusive of Value Added Tax

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	10% straight line
Trademarks	10% straight line

Fixed assets

All tangible fixed assets are initially recorded at cost or valuation less depreciation except for freehold property

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	over the period of the lease
Fixtures & Fittings	20% reducing balance/20% straight line and 25% straight line / 33 3% reducing balance
Property Improvements	10% reducing balance / 20% straight line / 33 3% reducing balance

Freehold property is not depreciated The directors estimate the market value of the freehold property to equate to its carrying value at cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

Notes *(continued)*

1 Accounting policies *(continued)*

***Leasing and hire purchase commitments** (continued)*

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

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

Pension

The Company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged to profit and loss account represents the contribution payable to the scheme in respect of the accounting period

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Notes *(continued)*

1 Accounting policies *(continued)*

Supplier contributions

The company receives supplier contributions which support new store shop fits (see note 14) These contributions sit as a creditor on the balance sheet in deferred income and have been released through the profit and loss over time The new shops opened since the prior year have a change to that agreement whereby the contributions received give the supplier ownership of the assets that the funds have been used to purchase, thereby reducing the capital expenditure attributed to Brasher Leisure Limited's fixed assets The company then has an option after 3 years to purchase the title to the assets for a nominal fee

2 Analysis of turnover

The turnover and profit before tax are attributable to the one principal activity of the company An analysis of turnover is given below

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
United Kingdom	**21,810,098**	19,731,517

3 Other operating income

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Rent receivable	**37,150**	34,303
Sundry income	**959,297**	839,310
	996,447	873,613

Notes *(continued)*

4 Operating profit

Operating profit is stated after charging

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Amortisation of intangible assets	**16,192**	16,192
Depreciation of owned fixed assets	**602,409**	474,585
Depreciation of assets held under finance lease agreements	**32,126**	42,835
Operating leases – equipment	**14,555**	37,274

Auditor's fees

The fees charged by the auditor can be analysed under the following headings for services rendered

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Audit of these financial statements	**20,000**	20,000
Other services relating to taxation	**4,998**	4,870
	24,998	24,870

5 Staff numbers and costs

The average number of staff employed by the company during the financial period amounted to

	Number of employees	
	Period from 2 May 11 to 29 Apr 12	Period from 26 Apr 10 to 1 May 11
Office and management	**27**	25
Retail	**154**	148
	181	173

The aggregate payroll costs of the above were

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Wages and salaries	**3,730,187**	3,636,901
Social security costs	**305,953**	285,645
Pension costs	**900**	900
	4,037,040	3,923,446

Notes *(continued)*

6 Remuneration of directors

The directors' aggregate remuneration in respect of qualifying services were

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Directors emoluments	**263,499**	295,787
Compensation for loss of office	**115,746**	-
Company contributions to money purchase pension schemes	-	-
	379,245	295,787

The emoluments of the highest paid Director were £126,078 (2011 £87,533)

7 Interest payable and similar charges

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Interest payable on bank borrowing	**11,175**	13,033
Finance charges	**667**	24,178
Other similar charges payable	**79,970**	86,869
	91,812	124,080

8 Exceptional Costs

Exceptional costs are one off redundancy costs, mainly made up of a substantially enhanced redundancy payment that was made to a long serving senior member of staff in the year to recognise their contribution to the business over such a long period

Notes *(continued)*

9 Taxation

Analysis of charge in period

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Current tax		
UK Corporation tax based on the results for the period at 25 84% *(2011 27 84%)*	**73,569**	93,477
Over provision in prior year	**1**	-
Total current tax charge	**73,570**	93,477
Deferred tax		
Origination and reversal of timing differences	**(41,660)**	25,591
Effect of tax rate change on opening balance	**20,509**	-
Adjustment in respect of prior periods	**(24,640)**	(21,094)
Total deferred tax (credit)/charge	**(45,791)**	4,497
Tax charge on profit on ordinary activities	**27,779**	97,974

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 25 84% *(2011 27 84%)*

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Profit on ordinary activities before taxation	**192,204**	310,636
Profit on ordinary activities by rate of tax	**49,658**	86,481
Non-deductible income / expense	**(4,154)**	(45,500)
Depreciation in excess of capital allowances	**44,848**	71,452
Marginal relief	**(16,783)**	(18,956)
Adjustments in respect of previous periods	**1**	-
Total current tax	**73,570**	93,477

Notes *(continued)*

10 Intangible fixed assets

	Goodwill	Trademarks	Total
	£	£	£
Cost			
At 1 May 2011 and 29 April 2012	**124,010**	**37,911**	**161,921**
Amortisation			
At 1 May 2011	47,786	9,677	57,463
Charged in period	12,401	3,791	16,192
At 29 Apr 2012	**60,187**	**13,468**	**73,655**
Net book value			
At 29 Apr 2012	**63,823**	**24,443**	**88,266**
At 1 May 2011	76,224	28,234	104,458

Goodwill relates to the acquisition of Up + Running (Hyde, 1992) Limited in 2007 and is being amortised over 10 years

11 Tangible fixed assets

	Freehold property	Property improvements	Leasehold property	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 May 2011	1,200,000	484,729	225,004	4,862,161	6,771,894
Additions	-	393,698	137,546	473,151	1,004,395
Revaluation	100,000	-	-	-	100,000
At 29 Apr 2012	1,300,000	878,427	362,550	5,335,312	7,876,289
Depreciation					
At 1 May 2011	-	138,009	51,573	3,123,045	3,312,627
Charged in period	-	95,346	33,949	505,240	634,535
At 29 Apr 2012	-	233,355	85,522	3,628,285	3,947,162
Net book value					
At 29 Apr 2012	**1,300,000**	**645,072**	**277,028**	**1,707,027**	**3,929,127**
At 1 May 2011	1,200,000	346,720	173,431	1,739,116	3,459,267

The last formal valuation of freehold property was undertaken on 9 July 2012 and resulted in an increased carrying value of £100,000 to £1 3m The valuation was carried out by external chartered surveyors M L Surveyors of Crawley, East Sussex, RICs No 0068832 as recommended by Barclays PLC

Finance lease agreements

Included within the net book value of £3,929,127 is £96,378 *(2011 £128,504)* relating to assets held under finance lease agreements The depreciation charged to the financial statements in the period in respect of such assets amounted to £32,126 *(2011 £42,835)*

Notes *(continued)*

12 Stocks

	29 Apr 12 £	1 May 11 £
Finished goods	**4,082,073**	3,140,077

13 Debtors

	29 Apr 12 £	1 May 11 £
Trade debtors	**162,311**	629,723
Prepayments and accrued income	**2,432,873**	1,627,143
	2,595,184	2,256,866

14 Creditors amounts falling due within one year

	29 Apr 12 £	1 May 11 £
Bank loans and overdrafts	**771,619**	813,654
Trade creditors	**5,866,975**	4,186,041
Corporation tax	**73,570**	93,477
Other taxation and social security	**432,614**	308,231
66,000 7 5% cumulative redeemable preference shares of £1 each	**66,000**	66,000
Arrears of preference dividends	**45,280**	89,450
Finance lease agreements (note 15)	**-**	34,456
Loan from related party (note 18)	**33,333**	33,333
Accruals and deferred income	**765,528**	1,145,528
	8,054,919	6,770,170

Included in accruals and deferred income is £167,412 *(2011 £168,952)* of unamortised deferred income for inducements from suppliers which contribute to the cost of the company's fixed assets

15 Creditors: amounts falling due after more than one year

	29 Apr 12 £	1 May 11 £
Loan from related party (note 18)	**-**	33,334
Other creditors	**21,140**	145,020
Accruals and deferred income	**693,898**	305,218
	715,038	483,572

The bank loans and overdraft are secured by a debenture and a legal charge over the freehold property of the company

Included in accruals and deferred income is £307,232 *(2011 £209,104)* of unamortised deferred income for inducements from suppliers which contribute to the cost of the company's fixed assets

Notes *(continued)*

15 Creditors: amounts falling due after more than one year (continued)

	29 Apr 12 £	1 May 11 £
Analysis of loans & other borrowings		
Bank loans and overdrafts	**771,619**	813,654
7 5% cumulative redeemable preference shares	**66,000**	66,000
Arrears of preference dividends	**45,280**	89,450
Loan from related party	**33,333**	66,667
Other creditors	**21,140**	145,020
	937,372	1,180,791

	29 Apr 12 £	1 May 11 £
Maturity of loans & other borrowings		
In one year or less or on demand	**937,372**	1,147,457
In more than one year but not more than two years	**-**	33,334
In more than two years but not more than five years	**-**	-
In more than five years	**-**	-
	937,372	1,180,791

Non-equity shares

	29 Apr 12 £	1 May 11 £
Authorised		
66,000 (2011 66,000) 7 5% cumulative redeemable preference shares of £1 each	**66,000**	66,000
Allotted, called up and fully paid		
66,000 (2011 66,000) 7 5% cumulative redeemable preference shares of £1 each	**66,000**	66,000

The 7 5% cumulative redeemable preference shares carry a fixed cumulative preferential dividend payable annually They are redeemable on 31 December 2047, or before at the company's option On a winding up, the holders have priority before all the other classes of shares to receive repayment of capital The shares carry no voting right

16 Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows

	29 Apr 12 £	1 May 11 £
Amounts payable within 1 year	**-**	34,456
Amounts payable between 2 to 5 years	**-**	-
	-	34,456

Notes *(continued)*

17 Deferred taxation

The movement in the deferred taxation provision during the period was

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Provision brought forward	**299,806**	295,309
Profit and loss account movement arising during the period	**(45,791)**	4,497
Provision carried forward	**254,015**	299,806

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	29 Apr 12 £	1 May 11 £
Excess of taxation allowances over depreciation on fixed assets	**254,015**	299,806

An un-provided deferred tax liability of £245,047 (2011 £239,467) arises in respect of the revaluation reserve, excluding any allowances for indexation The liability remains un-provided as there is no binding agreement in place to sell the assets on which the revaluation reserve arose The movement in the un-provided deferred tax liability reflects the upwards movement in the revaluation and a reduction in substantially enacted tax rates from 26% to 24%

On 21st March 2012 the Chancellor announced the reduction in the main rate of UK Corporation Tax to 24% with effect from 1st April 2012 This change became substantively enacted on 26th March 2011 and therefore the effect of the rate reduction creates a reduction in the deferred tax liability which has been included in the figures above

The Chancellor also proposed changes to further reduce the main rate of UK Corporation Tax by 1% per annum to 23% by 1st April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above The overall effect of the further reductions from 24% to 21%, if these applied to the deferred tax balance at 29 April 2012, would be to further reduce the deferred tax liability by approximately £31,752

18 Commitments under operating leases

At 29 Apr 2012 the company had annual commitments under non-cancellable operating leases as set out below

	29 Apr 12 Land and buildings £	29 Apr 12 Other items £	1 May 11 Land and buildings £	1 May 11 Other items £
Operating leases which expire:				
Within 1 year	**168,619**	**-**	268,335	44,991
Within 2 to 5 years	**1,533,151**	**-**	1,371,861	-
After more than 5 years	**677,500**	**-**	409,000	-
	2,379,270	-	2,049,196	44,991

Notes *(continued)*

19 Related party transactions

Included within creditors falling due within one year, note 13, is a loan of £33,333 *(2011 £33,333)* due to Yerhurst Limited, a company under the control of S J Brasher, a director of Brasher Leisure Limited This loan is repayable in full by 31 December 2012 and interest is charged at the rate of 2 5% above the Bank of England base rate

Included within other creditors amounts falling within one year, note 13 are amounts due to one of the directors, H W Brasher, relating to other creditors and preference dividends of £12,724 *(2011 £85,604)* and £Nil *(2011 £44,917)* respectively

Also included within other creditors amounts falling due within one year in note 13 are further arrears of other creditors and preference dividends due to close family members of H W Brasher of £8,417 *(2011 £8,417)* and £45,281 *(2011 £44,533)* respectively

Sports Direct com Retail Limited (previously Sports World International Limited), which owns a 24 99% stake in the business has made available an unsecured loan facility of £3 million (2011 £3 million) with an option of a further £2 million (2011 £2 million) Neither of these facilities has been used in the period

During the year Brasher Leisure Limited bought stock to the value of £84,852 *(2011 £102,346)* from Sports Direct com Retail Limited

20 Share capital

	29 Apr 12 £	1 May 11 £
Authorised share capital.		
2,039 Ordinary A shares of £1 each	**2,039**	2,039
7,405 Ordinary B shares of £1 each	**7,405**	7,405
556 Ordinary C shares of £1 each	**556**	556
	10,000	10,000

	29 Apr 12 Number	29 Apr 12 £	1 May 11 Number	1 May 11 £
Allotted, called up and fully paid:				
2,039 Ordinary A shares of £1 each	**2,039**	**2,039**	2,039	2,039
5,564 Ordinary B shares of £1 each	**5,564**	**5,564**	5,564	5,564
556 Ordinary C shares of £1 each	**556**	**556**	556	556
	8,159	**8,159**	8,159	8,159

All the 'A', 'B' and 'C' Ordinary shares constitute separate classes of shares respectively and shall rank pari passu in all respects other than outlined below,

'C' Ordinary shares shall not entitle the holders to receive notice or attend or vote at any general meeting of the Company or to otherwise exercise any voting rights as a member of the Company

'A' and 'B' Ordinary shares shall be entitled to receive notice of and to attend and vote at all general meetings of the Company and to otherwise exercise any voting rights as a member of the Company Each holder has one vote for each share held

21 Share premium account

There was no movement on the share premium account during the financial period (2011 no movement)

Notes *(continued)*

22 Other reserves

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Capital redemption reserve	**74,000**	74,000

23 Profit and loss account

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Balance brought forward	**365,779**	153,117
Profit for the financial period	**164,425**	212,662
Balance carried forward	**530,204**	365,779

24 Reconciliation of movements in shareholders' funds

	29 Apr 12 £	1 May 11 £
Profit for the financial period	**164,425**	212,662
Unrealised surplus on revaluation of properties	**100,000**	-
Opening shareholders' funds	**1,413,744**	1,201,082
Closing shareholders' funds	**1,678,169**	1,413,744

25 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Operating profit	**284,016**	434,716
Amortisation	**16,192**	16,192
Depreciation	**634,535**	517,420
Shop fitting contributions	**(167,412)**	(168,952)
Increase in stocks	**(941,996)**	(281,323)
(Increase)/decrease in debtors	**(338,318)**	(403,638)
Increase/(decrease) in creditors	**1,717,409**	740,865
Net cash inflow from operating activities	**1,204,426**	855,280

Notes *(continued)*

25 Notes to the cash flow statement *(continued)*

Returns on investments and servicing of finance

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Interest element of leases	(75,687)	(81,920)
Interest element of bank overdraft	(11,175)	(13,032)
Interest element of bank loan	-	(24,178)
Dividends on shares classed as financial liabilities	(49,120)	(70,000)
Net cash outflow from returns on investments and servicing of finance	(135,982)	(189,130)

Taxation

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Tax (paid) / repaid	(93,477)	(85,230)

Capital expenditure

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Payments to acquire tangible fixed assets	(1,004,395)	(866,667)
Net cash outflow from capital expenditure	(1,004,395)	(866,667)

Financing

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Repayment of bank loans	(6,684)	(118,038)
Loan from related party	(33,334)	(33,333)
Capital element of finance leases	(34,456)	(37,168)
Net outflow from other long-term creditors	(123,880)	-
Shop fitting contributions	264,000	226,000
Net cash inflow/(outflow) from financing	65,646	37,461

Notes *(continued)*

25 Notes to the cash flow statement *(continued)*

Reconciliation of net cash flow to movement in net debt

	29 Apr 12 £	1 May 11 £
(Decrease)/increase in cash in the period	36,218	(248,286)
Net cash outflow from bank loans	6,684	118,038
Loan from repaid to/(received from) related party	33,334	33,333
Cash outflow in respect of finance leases	34,456	37,168
Net cash outflow from other creditors	173,000	70,000
Other non cash items	(4,950)	(4,950)
Change in net debt	278,742	5,303
Net debt at 1 May 2011	(1,208,623)	(1,213,926)
Net debt at 29 Apr 2012	(929,881)	(1,208,623)

Analysis of changes in net debt

	At 1 May 11 £	Cash flows £	Other non cash items £	At 29 Apr 12 £
Net cash.				
Cash in hand and at bank	6,624	867	-	**7,491**
Overdrafts	(806,970)	35,351	-	**(771,619)**
	(800,346)	36,218	-	**(764,128)**
Debt.				
Bank loans	(6,684)	6,684	-	**-**
Loan from related party	(66,667)	33,334	-	**(33,333)**
Finance lease agreements	(34,456)	34,456	-	**-**
Other debt	(300,470)	173,000	(4,950)	**(132,420)**
	(408,277)	247,474	(4,950)	**(165,753)**
Net debt	(1,208,623)	283,692	(4,950)	**(929,881)**

26 Ultimate controlling party

The ultimate controlling party is H W Brasher, a director of the company, as he holds a majority stake in the equity of the company

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 5 to 6.

Detailed profit and loss account

Period from 2 May 2011 to 29 Apr 2012

	Period from 2 May 11 to 29 Apr 12 £	**Period from 2 May 11 to 29 Apr 12** £	Period from 26 Apr 10 to 1 May 11 £	Period from 26 Apr 10 to 1 May 11 £
Turnover		**21,810,098**		19,731,517
Cost of sales				
Purchases	**(11,484,465)**		(10,414,094)	
Discounts	**24,883**		144,530	
Other costs	**(284,009)**		(240,562)	
Security	**(2,443)**		(2,369)	
		(11,746,034)		(10,512,495)
Gross profit		**10,064,064**		9,219,022
Overheads				
Administrative expenses		**(10,574,837)**		(9,657,919)
Exceptional costs		**(201,658)**		-
		(712,431)		(438,897)
Other operating income		**996,447**		873,613
Operating profit		**284,016**		434,716
Interest payable and similar charges		**(91,812)**		(124,080)
Profit on ordinary activities		**192,204**		310,636

Notes to the detailed profit and loss account

Period from 2 May 2011 to 29 Apr 2012

Administrative expenses

	Period from 2 May 11 to 29 Apr 12 £	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £	Period from 26 Apr 10 to 1 May 11 £
Personnel costs				
Directors' salaries	**379,245**		294,886	
Directors' pensions	**-**		-	
Wages and salaries	**3,347,334**		3,338,603	
Employer's national insurance contributions	**305,953**		285,645	
Staff pension contributions	**900**		900	
Medical costs	**3,608**		3,413	
		4,037,040		3,923,447
Establishment expenses				
Rent	**2,415,232**		2,047,179	
Rates	**795,437**		590,731	
Light and heat	**159,980**		101,523	
Insurance	**55,283**		78,513	
Repairs and maintenance	**131,277**		149,875	
Cleaning of premises	**28,815**		27,651	
Service charges	**178,178**		130,441	
		3,764,202		3,125,913
General expenses				
Motor expenses	**63,843**		64,469	
Travel and subsistence	**131,799**		123,898	
Telephone	**92,928**		88,305	
Data processing	**30,677**		18,455	
Printing, stationery and postage	**376,773**		300,737	
Marathon costs	**610,230**		686,497	
Staff training	**46,607**		41,747	
Sundry expenses	**16,803**		29,320	
Advertising	**500,352**		510,443	
Entertaining	**13,323**		13,462	
Legal and professional fees	**5,049**		28,247	
Other professional fees	**193,082**		124,975	
Accountancy fees	**3,690**		8,370	
Auditor's remuneration	**16,179**		20,000	
Amortisation	**16,192**		16,192	
Depreciation	**634,535**		517,420	
		2,752,062		2,592,537
Financial costs				
Bad debts written off	**-**		9,589	
Bank charges	**21,533**		6,433	
		21,533		16,022
		10,574,837		9,657,919
Exceptional Costs		**201,658**		-

Notes to the detailed profit and loss account

Period from 2 May 2011 to 29 April 2012

Other operating income

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Property income	**99,035**	102,613
Shop fitting contributions	**167,412**	226,000
Consulting income	**730,000**	545,000
	996,447	873,613

Interest payable and similar charges

	Period from 2 May 11 to 29 Apr 12 £	Period from 26 Apr 10 to 1 May 11 £
Bank overdraft interest	**11,175**	13,032
Bank loan interest	**-**	24,178
Lease charges	**75,687**	81,920
Dividend on non equity preference shares	**4,950**	4,950
	91,812	124,080