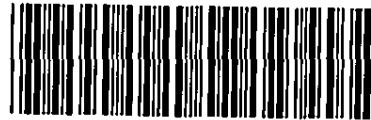


Registered number: 09217618

HAYTON LEISURE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

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HAYTON LEISURE LIMITED

COMPANY INFORMATION

Directors Kristian Lee (appointed 15 September 2014)
Steve Simpson (appointed 1 March 2016)

Company secretary June Carruthers

Registered number 09217618

Registered office Unit A, Queens Drive
Kingmoor Park South
Carlisle
CA6 4SB

Independent auditor KPMG LLP
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

HAYTON LEISURE LIMITED

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HAYTON LEISURE LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 27 FEBRUARY 2016**

The directors present their report and the financial statements for the period ended 27 February 2016

Principal activity

The company's principal activity is hospitality services

Results and dividends

The loss for the period, after taxation, amounted to £505,000

The directors do not recommend the payment of a dividend

Director

The director who served during the period was

Kristian Lee (appointed 15 September 2014)

Future developments

The company's underlying performance is expected to improve in the next financial period

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end

Auditors

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on *9th June 2016* and signed on its behalf


June Carruthers
Secretary

HAYTON LEISURE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 27 FEBRUARY 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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.

HAYTON LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYTON LEISURE LIMITED

We have audited the financial statements of Hayton Leisure Limited for the period ended 27 February 2016, set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 27 February 2016 and of its loss for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report

- we have not identified material misstatements in that report, and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

HAYTON LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYTON LEISURE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report



Philip Charles (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

191 West George Street
Glasgow
G2 2LJ

Date *13 June 2016*

HAYTON LEISURE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 27 FEBRUARY 2016**

	Note	Period ended 27 February 2016 £000
Turnover	3	1,468
Cost of sales		(475)
Gross profit		<u>993</u>
Administrative expenses		(1,631)
Operating loss	4	<u>(638)</u>
Tax on loss	7	133
Loss for the period		<u><u>(505)</u></u>

There is no comprehensive income, other than the result shown above

The notes on pages 8 to 17 form part of these financial statements

The company was incorporated on 15 September 2014 and commenced trading on 16 November 2014

HAYTON LEISURE LIMITED
REGISTERED NUMBER: 09217618

BALANCE SHEET
AS AT 27 FEBRUARY 2016

	Note	2016 £000
Fixed assets		
Tangible assets	8	420
		<u>420</u>
Current assets		
Stocks	9	24
Debtors amounts falling due within one year	10	136
Cash at bank and in hand		48
		<u>208</u>
Creditors amounts falling due within one year	11	(1,126)
Net current liabilities		<u>(918)</u>
Deferred taxation	12	(7)
Net liabilities		<u>(505)</u>
Capital and reserves		
Called up share capital	13	-
Profit and loss account		(505)
Shareholders' deficit		<u>(505)</u>

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

9th JUNE 2016



Kristian Lee
Director

The notes on pages 8 to 17 form part of these financial statements

HAYTON LEISURE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 FEBRUARY 2016**

	Retained earnings £000	Total equity £000
Loss for the period	(505)	(505)
At 27 February 2016	<u>(505)</u>	<u>(505)</u>

The notes on pages 8 to 17 form part of these financial statements

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are drawn up for the period ended 27 February 2016. The company was incorporated on 15 September 2014.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The principal accounting policies adopted by the company have been applied consistently throughout the period.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The company's ultimate parent undertaking, The Edinburgh Woollen Mill (Group) Limited, includes the company in its consolidated financial statements. The consolidated financial statements of The Edinburgh Woollen Mill (Group) Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

1. Accounting policies (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101

- the requirements of IFRS 7 Financial Instruments Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of
 - paragraph 79(a)(iv) of IAS 1,
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment,
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- disclosure in respect of capital management
- the effect of new but not yet effective IFRS's
- disclosure in respect of the compensation of key management personnel
- disclosure of transactions with a management entity that provides key management personnel services to the company

1.3 Going concern

The financial statements have been prepared on the going concern basis notwithstanding the net liabilities of £505,000 at 27 February 2016. The company is dependent for its working capital on funds provided by group companies. The company's ultimate parent undertaking, The Edinburgh Woollen Mill (Group) Limited, has indicated that for at least twelve months from the date of approval of these financial statements or, if shorter, for as long as the company remains a wholly owned subsidiary of the ultimate parent company, it will continue to make available such funds as are needed by the company to pay its liabilities as they fall due and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on the undertakings from The Edinburgh Woollen Mill (Group) Limited, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

1. Accounting policies (continued)

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of hospitality activities during the period, exclusive of Value Added Tax

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 13% per annum
Computer equipment	- 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

1. Accounting policies (continued)

1.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Inventories

An inventory provision is booked for cases where the realisable value from sale of the inventory is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with slow moving inventory items.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details can be found in note 7.

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

3. Analysis of turnover

All turnover arose within the United Kingdom

4. Operating loss

The operating loss is stated after charging

	Period ended 27 February 2016 £000
Depreciation of tangible fixed assets	60

During the period, no director received any emoluments

5. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the company

	Period ended 27 February 2016 £000
Fees for the audit of the company	2

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the ultimate parent company

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

6. Employees

Staff costs were as follows

	Period ended 27 February 2016 £000
Wages and salaries	880
Social security costs	50
	930

The average monthly number of employees, including the directors, during the period was as follows

	Period ended 27 February 2016 No.
Hotel staff	42

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 FEBRUARY 2016

7. Taxation

	Period ended 27 February 2016 £000
Corporation tax	
Current tax on loss for the year	(140)
Total current tax	<u>(140)</u>
Deferred tax	
Origination and reversal of timing differences	7
Total deferred tax	<u>7</u>
Taxation on loss on ordinary activities	<u><u>(133)</u></u>

Factors affecting tax charge for the period

The tax credit for the period is higher than the standard rate of corporation tax in the UK of 20.29%. The differences are explained below

	Period ended 27 February 2016 £000
Loss on ordinary activities before tax	<u>(638)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.29%	(129)
Effects of:	
Expenses not deductible for tax purposes	1
Adjust closing deferred tax to average rate	(1)
Transfer pricing adjustments	(4)
Total tax credit for the period	<u><u>(133)</u></u>

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

7. Taxation (continued)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly. The deferred tax assets and liabilities at the balance sheet date have been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8. Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
Additions	444	36	480
At 27 February 2016	444	36	480
Depreciation			
Charge for the period	51	9	60
At 27 February 2016	51	9	60
At 27 February 2016	393	27	420

9. Stocks

	2016 £000
Raw materials and consumables	24

HAYTON LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 FEBRUARY 2016**

10. Debtors

	2016 £000
Amounts owed by group undertakings	6
Other debtors	108
Prepayments and accrued income	22
	<u>136</u>

11. Creditors: Amounts falling due within one year

	2016 £000
Trade creditors	39
Amounts owed to group undertakings	894
Taxation and social security	35
Other creditors	10
Accruals and deferred income	148
	<u>1,126</u>

12. Deferred taxation

	Deferred tax £000
Charged to the profit or loss	(7)
At 27 February 2016	<u>(7)</u>

The deferred taxation balance is made up as follows

	2016 £000
Accelerated capital allowances	<u>(7)</u>

HAYTON LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 FEBRUARY 2016

13. Share capital

	2016 £
Allotted, called up and fully paid	
1 Ordinary share of £1	<u>1</u>

14. Controlling party

The company's ultimate parent company is The Edinburgh Woollen Mill (Group) Limited which is incorporated in Scotland and prepares group financial statements in which the company is consolidated

The company's immediate parent company is Equorum Property Company Limited which is incorporated in the UK

By virtue of his shareholding in the ultimate parent company P Day is the ultimate controlling party