

Muir Leisure Limited

**Directors' report and financial
statements**

Registered number SC096526

29 January 2012



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Directors and advisers

Directors

JW Muir
C Muir
RW Muir

Secretary

JSH Watt

Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Solicitors

Davidson Chalmers, WS
12 Hope Street
Edinburgh
EH2 4DB

Registered office

Muir House
Belleknowes Industrial Estate
Inverkeithing
Fife
KY11 1HY

Directors' report

The directors submit their report and audited financial statements for the year ended 29 January 2012.

Principal activities and business review

The principal activity of the company is owning and operating Deer Park Golf and Country Club, Livingston, West Lothian. This will continue for the foreseeable future.

Results for the year

The results for the year are set out in the financial statements. The loss for the year before tax was £190,067 (2011: £237,846). The directors do not recommend the payment of a dividend for the year (2011: £nil).

Directors' interests

The directors of the company are shown on page 1. All directors served throughout the year, and to the date of this report.

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 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; 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.

Disclosure of information to auditors

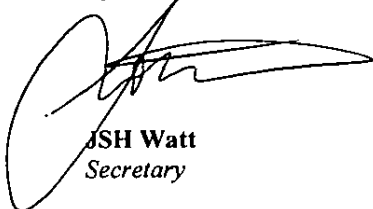
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make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

Directors' report *(continued)*

Auditors

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

By order of the board



JSH Watt
Secretary

Muir House
Belleknowes Industrial Estate
Inverkeithing
Fife
KY11 1HY
27th June 2012



KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

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

We have audited the financial statements of Muir Leisure Limited for the year ended 29 January 2012 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 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 January 2012 and of its profit for the year 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 matter prescribed by the Companies Act 2006

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

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.

L Bennett (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

29 June 2012

Profit and loss account
for the year ended 29 January 2012

	<i>Note</i>	2012 £	2011 £
Turnover	2	1,560,429	1,625,203
Cost of sales		(1,160,429)	(1,222,475)
Gross profit		400,000	402,728
Administrative expenses		(624,506)	(673,711)
Other operating income		17,082	16,595
Operating loss	3	(207,424)	(254,388)
Interest receivable	6	18,124	17,341
Interest payable	7	(767)	(799)
Loss on ordinary activities before tax		(190,067)	(237,846)
Tax on loss on ordinary activities	8	1,174,257	43,544
Profit/(Loss) for the financial year	15	984,190	(194,302)

Other than the profit for the current year and the loss for the preceding financial year there are no recognised gains or losses.

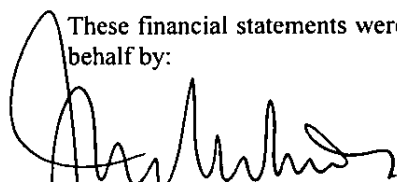
The profit and loss account has been prepared on the basis that all operations are continuing operations.

Balance sheet

At 29 January 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	9	801,666	985,425
Current assets			
Stocks	10	11,327	11,989
Debtors	11	1,876,292	3,404,714
Cash at bank and in hand		1,663,345	287,585
		<u>3,550,964</u>	<u>3,704,288</u>
Creditors: amounts falling due within one year	12	<u>(142,405)</u>	<u>(316,158)</u>
Net current assets		<u>3,408,559</u>	<u>3,388,130</u>
Total assets less current liabilities		<u>4,210,225</u>	<u>4,373,555</u>
Provisions for liabilities and charges	13	<u>(40,717)</u>	<u>(1,188,237)</u>
Net assets		<u>4,169,508</u>	<u>3,185,318</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	4,169,408	3,185,218
Shareholders' funds	16	<u>4,169,508</u>	<u>3,185,318</u>

These financial statements were approved by the board of directors on 27th June 2012 and are signed on its behalf by:


JW Muir
Director

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Muir Group plc the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The address from which the consolidated financial statements of Muir Group plc, within which this company is included, may be obtained is given in note 18.

Going concern

The directors have prepared cash flow forecasts for the company for the period for at least twelve months from the date of signing these accounts. The company has no external borrowings and the cash flow forecasts show that the company can operate within its available funds for the foreseeable future.

Depreciation

Tangible assets are depreciated on a straight line basis at the undernoted rates in order to write off their cost less estimated residual values over their expected useful lives:

Freehold buildings	25 years
Plant and equipment	1 - 10 years
Furniture and fittings	4 - 10 years

Freehold land is not depreciated.

Stocks

Bar and restaurant stocks have been valued at the lower of direct cost and net realisable value.

Pensions

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

The company also participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred tax. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise provided by FRS 19.

Turnover

Turnover represents bar and restaurant takings, subscriptions and amounts charged to customers for the use of sporting facilities.

Notes (continued)

2. Turnover

Turnover and profits before taxation are derived from the company's principal activity. All turnover is earned in the United Kingdom.

3. Operating loss

	2012	2011
	£	£
Operating loss is stated after charging:		
Hire of plant and machinery	9,327	11,970
Depreciation	197,006	219,302
Auditors' remuneration - audit of these financial statements	4,705	4,695
- other services relating to taxation	1,570	7,500
	<u>202,608</u>	<u>243,467</u>

4. Staff costs

	2012	2011
	No	No
Average number of employees	52	57
	<u>52</u>	<u>57</u>
	£	£
Wages and salaries	591,833	613,395
Social security costs	38,102	42,084
Pension costs - defined contribution scheme	6,150	6,255
	<u>636,085</u>	<u>661,734</u>

The company is a member of a group pension scheme, which provides benefits on a final pensionable pay. Because the company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, as permitted by FRS 17 "Retirement Benefits", the scheme has been accounted for in these financial statements as if it was a defined contributions scheme. Overall there is a deficit on the group's scheme of £1,382,000 (2011: £386,000).

The latest full actuarial valuation of the scheme was carried out on 1 May 2008 and updated for FRS 17 purposes at 29 January 2012 and 30 January 2011 by a qualified independent actuary. The contribution for the year was £324,000 (2011: £324,000). The current employer contribution rate for the scheme is £324,000 per annum.

5. Directors' remuneration

No directors' emoluments have been paid in the year (2011 - £Nil).

6. Interest receivable

	2012	2011
	£	£
Interest on short term deposits	913	557
Interest from fellow subsidiary	17,171	16,784
Other interest	40	-
	<u>18,124</u>	<u>17,341</u>

Notes (continued)

7. Interest payable

	2012 £	2011 £
Interest payable on bank loan and overdrafts	767	799

8. Tax on loss on ordinary activities

	2012 £	2011 £
Corporation tax for the year	(24,432)	(38,121)
Adjustments in respect of prior periods	(2,305)	-
Total current tax credit	(26,737)	(38,121)
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(16,402)	(9,237)
Adjustments in relation to prior years	295	3,814
Transfer to group company in relation to prior years	(1,131,413)	-
Tax on loss on ordinary activities	(1,174,257)	(43,544)

Factors affecting the tax credit for the current period

The current tax credit for the period is lower (2011: lower) than the standard rate of corporation tax in the UK of 26.3% (2011: 28%). The differences are explained below:

Current tax reconciliation

	2012 £	2011 £
Loss on ordinary activities before tax	(190,067)	(237,846)
Current tax at 26.3 % (2011: 28%)	(49,988)	(66,597)
Effects of:		
Expenses not deductible for tax purposes	383	1,026
Depreciation on assets not eligible for capital allowances	14,842	18,213
Difference between capital allowances and depreciation	10,489	9,237
Other short term timing differences	(158)	-
Adjustment in respect of prior periods	(2,305)	-
	(26,737)	(38,121)

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 29 January 2012 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date).

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

Notes (continued)

9. Tangible assets

	Freehold land and buildings £	Plant, equipment, Furniture and fittings £	Total £
<i>Cost</i>			
At beginning of year	1,410,313	2,812,205	4,222,518
Additions	-	13,247	13,247
At end of year	1,410,313	2,825,452	4,235,765
<i>Depreciation</i>			
At beginning of year	1,114,968	2,122,125	3,237,093
Charge for year	56,413	140,593	197,006
At end of year	1,171,381	2,262,718	3,434,099
<i>Net book value</i>			
At end of year	238,932	562,734	801,666
At beginning of year	295,345	690,080	985,425

10. Stocks

	2012 £	2011 £
Beer, wines and spirits	7,363	8,050
Food	3,964	3,939
	11,327	11,989

11. Debtors

	2012 £	2011 £
Trade debtors	4,129	18,162
Other debtors	9,154	7,928
Prepayments	26,676	25,366
Due from parent company	3,851	1,350,899
Due from fellow subsidiaries	1,815,450	2,002,340
Due from related parties	-	19
Group relief receivable	17,032	-
	1,876,292	3,404,714

Notes (continued)

12. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	34,361	34,775
Amounts owed to fellow subsidiary undertakings	20,121	181,304
Accruals and deferred income	87,923	90,862
Corporation tax payable	-	9,217
	<u>142,405</u>	<u>316,158</u>

13. Deferred tax

	Accelerated capital allowances £	Other short term timing differences £	Total £
At beginning of year	56,824	1,131,413	1,188,237
Credit to profit and loss account	(16,107)	-	(16,107)
Transfer to other group company	-	(1,131,413)	(1,131,413)
At end of year	<u>40,717</u>	<u>-</u>	<u>40,717</u>

An amount was provided in previous years in respect of holdover relief claimed on the sale of fixed assets to another group company. This deferred tax liability has been transferred to the recipient company as the potential tax payable would be by the recipient company not the selling company.

14. Called up share capital

	2012 £	2011 £
Equity		
<i>Authorised, allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

15. Profit and loss account

	£
At beginning of year	3,185,218
Profit for the financial year	984,190
At end of year	<u>4,169,408</u>

16. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit/(loss) for the financial year	984,190	(194,302)
Opening shareholders' funds	<u>3,185,318</u>	<u>3,379,620</u>
Closing shareholders' funds	<u>4,169,508</u>	<u>3,185,318</u>

Notes *(continued)*

17. Related party transactions

At the year end an amount of £Nil (2011: £19) was due from JW Muir (Property Investments) Limited, a company with the same ultimate shareholders as Muir Leisure Limited. This is included within amounts due from related undertakings within debtors due within one year.

18. Parent company

The immediate parent company is JW Muir Group plc and the ultimate parent company is Muir Group plc.

The largest group in which the results of the Company are consolidated is that headed by Muir Group plc, incorporated in Scotland. The consolidated financial statements of this company are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.