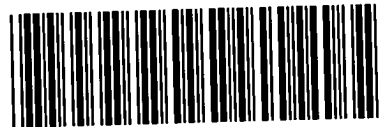


Company Registration No. 02860394 (England and Wales)

ABC LEISURE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2017

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ABC LEISURE GROUP LIMITED

COMPANY INFORMATION

Directors	Mr S Boddice Mr E Helps Mr C Onens Mr K Threlfall
Secretary	Mrs S Mitchell
Company number	02860394
Registered office	Scarfield Wharf Scarfield Hill Alvechurch Worcestershire B48 7SQ
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

ABC LEISURE GROUP LIMITED

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ABC LEISURE GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 29 OCTOBER 2017

The directors present the strategic report for the year ended 29 October 2017.

Fair review of the business

ABC Leisure Group continues to be the leading provider of everything to do with canal boats on the UK's inland waterway network (everythingcanalboats.com). The company's focus continues to be to provide high quality customer experiences associated with its premium brand.

Company turnover continued to grow with year on year sales growth of 8.1% over the comparable 12 month period with profit improving by 6%.

The holiday hire element of the business continues to be developed and accounts for 42% (43% last year) of the company's overall turnover. The number of holidays facilitated increased by 5% over the previous season. Day boats continue to be successful and serve as an introduction to narrow boat holidays.

Boat building demand continues to be strong from both the holiday hire fleet and other corporate customers. With this strong demand expected to continue the company is currently focusing on how efficiency can be increased at the boat building location in Alvechurch.

Boat Management continues to perform in line with expectations with ABC managing four timeshare fleets as well as in collaboration with the biggest share boat management company that locates a large portion of the boats it manages on ABC marinas. ABC also has four holiday lets on the marina properties which are marketed through www.abcholidaycottages.com providing additional income opportunity that has supported an uplift in occupancy levels of 25% in 2017.

ABC Leisure Group maintain a continuous repairs and maintenance programme to protect and increase the asset value of the business and ensure mooring occupancy rates remain high.

The company also recognises that its employees are a key asset and continues to invest in technical and management training to improve the skill set within the business.

The Directors are happy with the performance of the business against the continuing uncertain economic environment.

Principal risks and uncertainties

The principle risk for ABC Leisure Group, along with most UK Leisure related businesses continues to be the weather and economy. In addition ABC Leisure Group relies on various navigation authorities to repair and maintain the waterways. These risks are reduced by the diverse range of activities the business undertakes.

On behalf of the Board


.....
Mrs Onens

Director

..... 18/5/18

ABC LEISURE GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 29 OCTOBER 2017

The directors present their annual report and financial statements for the year ended 29 October 2017.

Principal activities

The principal activity of the company continued to be that of the operation of inland waterway marinas.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Boddice
Mr E Helps
Mr C Onens
Mr K Threlfall

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £237,896. The directors do not recommend payment of a final dividend.

Financial instruments

The Company uses various financial instruments. These include cash and various items such as trade debtors and trade creditors that arise from its operations. Their existence exposes the Company to a number of financial risks which are described in more detail below.

Liquidity risk

The Company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of its businesses.

Interest rate risk

The Company is exposed to cash flow interest rate risk on floating rate deposits and overdrafts. Interest rates have been stable throughout 2017, with the 0.25% Bank of England base rate increase towards the end of the year deemed to immaterial to the Company.

Future developments

The company will continue to trade as an inland waterway marinas operator in the future.

Auditor

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 487(2) of the Companies Act 2006.

ABC LEISURE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

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). 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
Mr. C. Jones

Director

.....18.15.18

ABC LEISURE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABC LEISURE GROUP LIMITED

Opinion

We have audited the financial statements of ABC Leisure Group Limited (the 'company') for the year ended 29 October 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.
-

ABC LEISURE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABC LEISURE GROUP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Ormerod Rutter Ltd

Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited

.....2115118

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

ABC LEISURE GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 OCTOBER 2017

	Notes	2017 £	2016 £
Turnover	3	9,594,344	8,872,988
Cost of sales		(5,193,936)	(4,804,831)
Gross profit		4,400,408	4,068,157
Administrative expenses		(3,733,075)	(3,416,706)
Other operating income		31,248	31,519
Operating profit	4	698,581	682,970
Interest payable and similar expenses	8	(33,144)	(52,582)
Profit before taxation		665,437	630,388
Tax on profit	9	(121,913)	(128,340)
Profit for the financial year		543,524	502,048

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ABC LEISURE GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 OCTOBER 2017

	2017 £	2016 £
Profit for the year	543,524	502,048
Other comprehensive income	-	-
Total comprehensive income for the year	<u>543,524</u>	<u>502,048</u>

ABC LEISURE GROUP LIMITED

BALANCE SHEET

AS AT 29 OCTOBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11	6,455,747		6,141,937	
Investments	12		398		398
			<u>6,456,145</u>		<u>6,142,335</u>
Current assets					
Stocks	15	416,655		450,306	
Debtors	17	880,856		1,040,754	
Cash at bank and in hand		22,761		19,860	
			<u>1,320,272</u>		<u>1,510,920</u>
Creditors: amounts falling due within one year	18	(5,095,151)		(5,277,617)	
Net current liabilities			<u>(3,774,879)</u>		<u>(3,766,697)</u>
Total assets less current liabilities			<u>2,681,266</u>		<u>2,375,638</u>
Provisions for liabilities	20		(215,453)		(215,453)
Net assets			<u><u>2,465,813</u></u>		<u><u>2,160,185</u></u>
Capital and reserves					
Called up share capital	23	200,001		200,001	
Other reserves		738,211		772,645	
Profit and loss reserves		1,527,601		1,187,539	
Total equity			<u><u>2,465,813</u></u>		<u><u>2,160,185</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18/10/18 and are signed on its behalf by:


.....
M.C. Onens
Director

Company Registration No. 02860394

ABC LEISURE GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 29 OCTOBER 2017

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 November 2015		200,001	772,645	685,491	1,658,137
Year ended 30 October 2016:					
Profit and total comprehensive income for the year		-	-	502,048	502,048
Balance at 30 October 2016		200,001	772,645	1,187,539	2,160,185
Year ended 29 October 2017:					
Profit and total comprehensive income for the year		-	-	543,524	543,524
Dividends	10	-	-	(237,896)	(237,896)
Transfers		-	-	34,434	34,434
Other movements		-	(34,434)	-	(34,434)
Balance at 29 October 2017		200,001	738,211	1,527,601	2,465,813

ABC LEISURE GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	1,399,054		600,207	
Interest paid		(33,144)		(52,582)	
Income taxes paid		(128,014)		(168,093)	
Net cash inflow from operating activities		1,237,896		379,532	
Investing activities					
Purchase of tangible fixed assets		(555,403)		(211,454)	
Proceeds on disposal of tangible fixed assets		24,583		-	
Net cash used in investing activities		(530,820)		(211,454)	
Financing activities					
Proceeds from borrowings		-		500,000	
Repayment of borrowings		(400,000)		-	
Dividends paid		(237,896)		-	
Net cash (used in)/generated from financing activities		(637,896)		500,000	
Net increase in cash and cash equivalents		69,180		668,078	
Cash and cash equivalents at beginning of year		(957,726)		(1,625,804)	
Cash and cash equivalents at end of year		(888,546)		(957,726)	
Relating to:					
Cash at bank and in hand		22,761		19,860	
Bank overdrafts included in creditors payable within one year		(911,307)		(977,586)	

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 OCTOBER 2017

1 Accounting policies

Company information

ABC Leisure Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Scarfield Wharf, Scarfield Hill, Alvechurch, Worcestershire, B48 7SQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Subsidiary undertakings have been excluded from consolidation in accordance with section 405(2) of the Companies Act 2006 on the basis that all subsidiaries are not material, individually or when taken together, for the purpose of giving a true and fair view.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Narrow Boats	10% on cost
Plant and Machinery	33% on cost, 25% on cost, 20% on cost and 15% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Leasehold property is written off over the period of the lease.

No depreciation is provided on freehold land.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 OCTOBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 OCTOBER 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Other reserves

Other reserves are made up of balances transferred from the revaluation reserve on transition to FRS 102, where previous revaluation of freehold properties is assumed to be deemed cost on transition.

The other reserves remain on the balance sheet until properties to which they relate are disposed of.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 OCTOBER 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover analysed by class of business		
Turnover and other revenue	9,594,344	8,872,988

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	79,786	80,066
Depreciation of owned tangible fixed assets	227,352	234,967
Profit on disposal of tangible fixed assets	(10,342)	-
Cost of stocks recognised as an expense	915,726	751,847
Operating lease charges	263,228	328,450

5 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12,534	12,573

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
	138	133

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	3,091,725	3,063,020
Social security costs	226,675	211,239
Pension costs	112,269	295,006

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	183,278	171,567
Company pension contributions to defined contribution schemes	76,273	260,092
	<u>259,551</u>	<u>431,659</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	33,144	52,582
	<u>33,144</u>	<u>52,582</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	132,076	138,177
Adjustments in respect of prior periods	(10,163)	(17,442)
Total current tax	<u>121,913</u>	<u>120,735</u>
Deferred tax		
Origination and reversal of timing differences	-	7,605
Total tax charge	<u>121,913</u>	<u>128,340</u>

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	665,437	630,388
Expected tax charge based on the standard rate of corporation tax in the UK of 19.42% (2016: 20.00%)	129,215	126,078
Under/(over) provided in prior years	(10,163)	(17,442)
Depreciation in excess of capital allowances	2,861	12,099
Deferred tax charge	-	7,605
Taxation charge for the year	121,913	128,340

10 Dividends

	2017 £	2016 £
Interim paid	237,896	-

11 Tangible fixed assets

	Freehold land and buildings £	Narrow Boats £	Assets under construction £	Plant and Machinery £	Total £
Cost or valuation					
At 31 October 2016	6,583,471	91,280	-	1,288,909	7,963,660
Additions	31,669	118,246	285,726	119,762	555,403
Disposals	-	(23,500)	-	-	(23,500)
At 29 October 2017	6,615,140	186,026	285,726	1,408,671	8,495,563
Depreciation and impairment					
At 31 October 2016	769,372	40,139	-	1,012,212	1,821,723
Depreciation charged in the year	98,673	10,963	-	117,716	227,352
Eliminated in respect of disposals	-	(9,259)	-	-	(9,259)
At 29 October 2017	868,045	41,843	-	1,129,928	2,039,816
Carrying amount					
At 29 October 2017	5,747,095	144,183	285,726	278,743	6,455,747
At 30 October 2016	5,814,099	51,141	-	276,697	6,141,937

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 OCTOBER 2017

11 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	2017	2016
	£	£
Freehold	4,686,044	4,737,726
Long leasehold	775,839	772,576
Short leasehold	285,212	303,797
	<u>5,747,095</u>	<u>5,814,099</u>

Upon transition to FRS 102 the company elected to make use of a transitional arrangement with regards to assets held under the revaluation model. On transition the company reclassified previously revalued asset amounts as deemed cost and from henceforth these assets were held under the cost model.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017	2016
	£	£
Cost	6,041,248	6,009,579
Accumulated depreciation	(1,007,818)	(950,622)
Carrying value	<u>5,033,430</u>	<u>5,058,957</u>

12 Fixed asset investments

	Notes	2017	2016
		£	£
Investments in subsidiaries	13	208	208
Unlisted investments		190	190
		<u>398</u>	<u>398</u>

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

12 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 31 October 2016 & 29 October 2017	2,933,246	190	2,933,436
Impairment			
At 31 October 2016 & 29 October 2017	2,933,038	-	2,933,038
Carrying amount			
At 29 October 2017	208	190	398
At 30 October 2016	208	190	398

13 Subsidiaries

Details of the company's subsidiaries at 29 October 2017 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Viking Afloat Limited	England & Wales	Non-trading	Ordinary	100.00	-
ABC Boat Hire Limited	England & Wales	Non-trading	Ordinary	-	100.00
Discount Boat Hire Limited	England & Wales	Non-trading	Ordinary	-	100.00
ABC Boat Shares Limited	England & Wales	Non-trading	Ordinary	100.00	-
ABC Boat Management Limited	England & Wales	Non-trading	Ordinary	100.00	-
Canalboat Holidays Limited	England & Wales	Non-trading	Ordinary	100.00	-
Alvechurch Boat Centres Limited	England & Wales	Non-trading	Ordinary	100.00	-
ABC Boat Building Limited	England & Wales	Non-trading	Ordinary	100.00	-
ABC Boat Sales Limited	England & Wales	Non-trading	Ordinary	100.00	-
Everything Canal Boats Limited	England & Wales	Non-trading	Ordinary	100.00	-
Tillerman Boats Limited	England & Wales	Non-trading	Ordinary	100.00	-
Canalboat Club Limited	England & Wales	Non-trading	Ordinary	100.00	-
Deckshare Limited	England & Wales	Non-trading	Ordinary	100.00	-

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

13 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/ (Loss)	Capital and Reserves
	£	£
Viking Afloat Limited	-	1
ABC Boat Shares Limited	-	1
ABC Boat Management Limited	-	200
Canalboat Holidays Limited	-	1
Alvechurch Boat Centres Limited	-	1
ABC Boat Building Limited	-	1
ABC Boat Sales Limited	-	1
Everything Canal Boats Limited	-	100
Tillerman Boats Limited	-	1
Canalboat Club Limited	-	100

The registered office address for all the company's subsidiaries is the same as that of the parent company except for Discount Boat Hire Limited which is The Oakley, Kidderminster Road, Droitwich, WR9 9AY.

14 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	449,126	561,803
Equity instruments measured at cost less impairment	190	190
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	4,531,350	4,708,246
	<u> </u>	<u> </u>

15 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	416,655	450,306
	<u> </u>	<u> </u>
	<u>416,655</u>	<u>450,306</u>

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

16 Construction contracts

	2017 £	2016 £
Contracts in progress at the reporting date		
Gross amounts due from contract customers included in debtors	127,859	75,011
Gross amounts due to contract customers included in creditors	-	(10,084)
Contract revenues recognised		
Contract costs incurred plus recognised profits less recognised losses to date	223,532	191,716
Less: progress billing	(95,673)	(126,789)
	<u>127,859</u>	<u>64,927</u>

17 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	176,612	299,790
Gross amounts due from contract customers	127,859	75,011
Amounts owed by undertakings in which the company has a participating interest	515	641
Other debtors	271,999	261,372
Prepayments and accrued income	303,871	403,940
	<u>880,856</u>	<u>1,040,754</u>

18 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	19	911,307	977,586
Other borrowings	19	105,039	500,000
Trade creditors		996,962	468,734
Gross amounts due to contract customers		-	10,084
Amounts due to group undertakings		301	301
Amounts due to undertakings in which the company has a participating interest		4,034	-
Corporation tax		132,076	138,177
Other taxation and social security		431,725	431,194
Other creditors		587,184	483,146
Accruals and deferred income		1,926,523	2,268,395
		<u>5,095,151</u>	<u>5,277,617</u>

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

19 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	911,307	977,586
Other loans	105,039	500,000
	<u>1,016,346</u>	<u>1,477,586</u>
Payable within one year	<u>1,016,346</u>	<u>1,477,586</u>

Bank overdrafts are secured by fixed and floating charges over all assets of the company, as well as specific fixed charges on certain assets held within land and buildings.

20 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	21	<u>215,453</u>	<u>215,453</u>

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	60,953	60,953
Other timing differences	154,500	154,500
	<u>215,453</u>	<u>215,453</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 OCTOBER 2017

22 Retirement benefit schemes

	2017	2016
	£	£
Charge to profit or loss in respect of defined contribution schemes	112,269	295,006

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Amounts outstanding at the end of the accounting period in respect of pension contributions amounted to £6,439.

23 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
66,667 Ordinary A of £1 each	66,667	66,667
66,667 Ordinary B of £1 each	66,667	66,667
66,667 Ordinary C of £1 each	66,667	66,667
	<u>200,001</u>	<u>200,001</u>

The company has three separate class of ordinary shares. Each class carries voting rights and rank pari pasu.

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	193,795	193,795
Between two and five years	592,794	616,294
In over five years	3,924,223	4,061,231
	<u>4,710,812</u>	<u>4,871,320</u>

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

25 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	3,771	4,650	4,437	13,298
Other related parties	1,155,274	433,706	-	-
	<u>1,159,045</u>	<u>438,356</u>	<u>4,437</u>	<u>13,298</u>

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Entities over which the entity has control, joint control or significant influence	4,034	1,633
Other related parties	94,987	51,366
	<u>99,021</u>	<u>53,000</u>

The following amounts were outstanding at the reporting end date:

	2017
	Balance
	£
Amounts owed by related parties	
Entities over which the entity has control, joint control or significant influence	515
	<u>515</u>

There were no amounts owed in the previous period.

ABC LEISURE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 OCTOBER 2017

26 Cash generated from operations	2017	2016
	£	£
Profit for the year after tax	543,524	502,048
Adjustments for:		
Taxation charged	121,913	128,340
Finance costs	33,144	52,582
Gain on disposal of tangible fixed assets	(10,342)	-
Depreciation and impairment of tangible fixed assets	227,352	234,967
Movements in working capital:		
Decrease/(increase) in stocks	33,651	(22,175)
Decrease/(increase) in debtors	159,898	(74,913)
Increase/(decrease) in creditors	289,914	(220,642)
Cash generated from operations	<u>1,399,054</u>	<u>600,207</u>