

Financial Statements Lancashire County Developments Limited

For the year ended 31 March 2012



Company No 1624144

Company information

Company registration number : 1624144

Registered office : P O Box 78
County Hall
Preston
Lancashire
PR1 8XJ

Directors : Ms N D Penney
M J Welsh
H Henshaw
J R C Lawrenson
G Driver
M P France
T M Ashton
P Halsall
M Green

Secretary : I M Fisher

Bankers : The Royal Bank of Scotland Plc
97 Fishergate
Preston
PR1 2DP

Auditor : Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
4 Hardman Square
Spinningfields
Manchester
M3 3EB

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Chair's statement

The accounts of the group for the year ending 31 March 2012 include a number of technical factors which result in a pre-tax profit of £4,251,122 and a reduction of £16,297,671 in the value of fixed assets

A major fire on 21 December 2011 resulted in the destruction of Unit 3 on the Leyland Business Park, the building was fully insured and liability has been accepted by the group's insurers. The damaged building will be replaced with new buildings which will have a significantly higher book value, this is reflected in the accounts by a £6,000,000 profit on the disposal of fixed assets. This is offset by a book loss of £1,894,355 consequent on a revaluation of the group's properties to reflect current market conditions. This amount should be recouped in subsequent years when and as the commercial property market recovers. The fact that we are able to absorb these book losses is a testament to the overall strength of the balance sheet.

Operating profit less net interest payable for the year is £145,477 which is substantially ahead of budget and is a creditable performance in a year when trading conditions have been difficult. It is gratifying to report that our rental income has held up well, in adverse circumstances we have retained the large majority of tenants and continue to attract new ones. The Board wishes to express its appreciation to our staff, particularly at the Leyland Business Park, who maintained our reputation as high quality landlords throughout and for those who negotiated an extremely satisfactory settlement with our insurers.

The re-structuring of the group's management and services that commenced last year is now complete and our medium term prospects are set out in the Business Plan for 2012/13 which has been circulated to all relevant stakeholders.

In the opinion of the board the accounts for 2011/12 establish a sound financial platform for the group's future operations.

Report of the directors

The directors present their report together with the audited financial statements of the company and the group for the year ended 31 March 2012

Principal activities

The principal activities of the group are to invest in Lancashire with a view to acting as a catalyst in promoting the economic development of industry in the County, to provide industrial premises and associated facilities for businesses and to promote job creation and training particularly associated with new technologies

Lancashire County Developments Limited is a company under the control of Lancashire County Council within the meaning of Part V of the Local Government and Housing Act 1989

Business review

A detailed review of operations of the group during the year and a commentary on the state of affairs, financial position and plans for the future is contained in the Chair's statement

The group loss before taxation amounted to £4,251,122 (2011 £1,774,564) The group profit after taxation amounted to £4,198,368 (2011 Loss £1,801,385), which has been transferred to reserves

Capital funding

Lancashire County Developments Limited is a company limited by guarantee, therefore, does not have a share capital

Directors and employees

The Board of Directors during the year ended 31 March 2012 is shown below All served on the Board throughout the year and thereafter, unless otherwise indicated

Ms N D Penney
M J Welsh
H Henshaw
J R C Lawrenson
G Driver
M P France
G Fitzgerald
T M Ashton
P Halsall
M Green

At 31 March 2012, the group had no paid employees (2011 Nil), because with effect from 1 January 2004 all employees of the group were transferred to become employees of Lancashire County Council Management services were also provided by the staff of Lancashire County Council and by professional advisers

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

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

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD


I M Fisher

Secretary

20 September 2012

Report of the independent auditor to the members of Lancashire County Developments Limited

We have audited the financial statements of Lancashire County Developments Limited for the year ended 31 March 2012 which comprise the principal accounting policies, the consolidated profit and loss account, the statement of total recognised gains and losses, the group and parent company reconciliation of movement in members' funds, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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 website 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 group's and the parent company's affairs as at 31 March 2012 and of the group's 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Grant Thornton UK LLP

STUART MUSKETT (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
MANCHESTER

2 NOVEMBER 2012

Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention modified by the revaluation of certain fixed assets

The principal accounting policies of the group are set out below

Basis of consolidation

The group financial statements combine the financial statements of Lancashire County Developments Limited and all of its subsidiary undertakings

In the year of acquisition, the consolidated profit and loss account incorporates the group's share of the results of subsidiary undertakings from the date of acquisition

The group also holds corporate investments in certain companies where its shareholding is in excess of 20% of the total voting capital of these companies. In order to reflect the investment nature of all holdings, the group accounts for profits and losses on all of its corporate investments upon realisation. As the investments are held primarily for the purpose of promoting economic development, disclosure of share capital, reserves and results for the year of each investment, as required by the Companies Act 2006, is not considered appropriate

Income from investments

Investment income is the amount of income receivable in the accounting period from investments and loans

Income from property

Property income comprises rents arising from investment properties in the accounting period, but excludes service charges which are credited against the relevant expenditure

Assets under the course of construction

Assets under the course of construction are capitalised at cost less any provision for impairment

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, certain of the group's properties are held for long-term investment and are included in the balance sheet at their open market values. The surplus(es) or deficit(s) on revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Corporate investments

Investments are stated at cost less provision for impairment. Provision is made against investments if, in the opinion of the directors, the diminution in value is considered permanent and likely to crystallise in the foreseeable future. All costs incurred in connection with the making of corporate investments are written off in the period in which they are incurred.

Government and EEC grants

Government and EEC grants received and receivable in respect of capital expenditure on investment properties are deducted from the cost of the relevant tangible fixed assets. This does not comply with paragraphs 17 and 27 of Schedule 1 to SI 2008/410, which have the effect of prohibiting the deduction of grants from the purchase price of the related asset. This would therefore require the grant to be treated as deferred income.

As stated above no depreciation is provided on investment properties and therefore, there would be no corresponding release of any deferred income to profit and loss account. The directors do not consider that the creation of a permanent deferred credit will show a true and fair view of the state of the affairs of the group at the balance sheet date.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Leased assets

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Consolidated profit and loss account

	Note	2012 £	2011 £
Continuing activities			
Operating income	2	6,109,987	8,219,792
Expenditure		<u>(5,722,196)</u>	<u>(8,487,231)</u>
Operating profit/(loss)		387,791	(267,439)
Profit on disposal of tangible fixed assets	7	6,000,000	191,000
Unrealised loss on revaluation of investment properties		(1,894,355)	(1,513,666)
Provisions against investments		-	7,138
Profit/(loss) on ordinary activities before interest and taxation		4,493,436	(1,582,967)
Interest receivable	3	34,697	90,678
Interest payable and similar charges	3	<u>(277,011)</u>	<u>(282,275)</u>
Profit/(loss) on ordinary activities before taxation	2	4,251,122	(1,774,564)
Taxation on profit/(loss) on ordinary activities	5	(52,754)	(26,821)
Profit/(loss) retained and transferred to reserves	13	<u>4,198,368</u>	<u>(1,801,385)</u>

Statement of total recognised gains and losses

	2012 £	2011 £
Profit / (Loss) for the financial year	4,198,368	(1,801,385)
Loss on revaluation of corporate investments	-	(712,276)
Unrealised loss on revaluation of investment properties	<u>(14,065,819)</u>	
Total recognised gains and losses relating to the year	<u>(9,867,451)</u>	<u>(2,513,661)</u>

Reconciliation of movement in members' funds/(deficit)

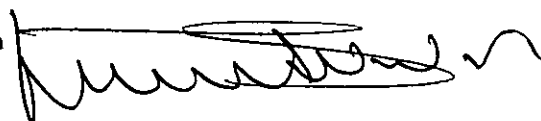
Group	2012 £	2011 £
Profit/(loss) for the year	4,198,368	(1,801,385)
Unrealised revaluation of investment properties	(12,344,819)	-
Realisation of prior years' revaluation of investment properties	(1,721,000)	-
Impairment of investment in the year	-	(712,276)
Net (reduction in) members' funds	<u>(9,867,451)</u>	<u>(2,513,661)</u>
Members' funds at beginning of the year	<u>39,292,951</u>	<u>41,806,612</u>
Members' funds at end of the year	<u><u>29,425,500</u></u>	<u><u>39,292,951</u></u>
Company		
(Loss) for the year	(975,302)	(1,897,283)
Members' deficit at beginning of the year	(12,499,947)	(10,602,664)
Members' deficit at end of the year	<u><u>(13,475,249)</u></u>	<u><u>(12,499,947)</u></u>

Consolidated balance sheet

	Note	2012 £	2011 £
Fixed assets			
Investment properties	7	23,250,032	40,582,361
Corporate investments	8	<u>3,639,089</u>	<u>2,604,431</u>
		<u>26,889,121</u>	<u>43,186,792</u>
Current assets			
Debtors	9	10,176,144	2,633,481
Cash at bank and in hand		<u>3,718,922</u>	<u>6,508,886</u>
		<u>13,895,066</u>	<u>9,142,367</u>
Creditors :amounts falling due within one year	10	<u>(3,974,398)</u>	<u>(5,630,290)</u>
Net current assets		<u>9,920,668</u>	<u>3,512,077</u>
Total assets less current liabilities		<u><u>36,809,789</u></u>	<u><u>46,698,869</u></u>
Financed by			
Capital funding reserve	13	8,730,878	8,730,878
Investment property revaluation reserve	13	5,265,498	19,331,317
Profit and loss account	13	<u>15,429,124</u>	<u>11,230,756</u>
Members' funds		<u>29,425,500</u>	<u>39,292,951</u>
Creditors .amounts falling due after more than one year	11	7,230,000	7,273,918
Provisions for liabilities	12	154,289	132,000
		<u><u>36,809,789</u></u>	<u><u>46,698,869</u></u>

These financial statements were approved by the Board on 20 September 2012 and signed on their behalf by

Mr M Welsh



Chair

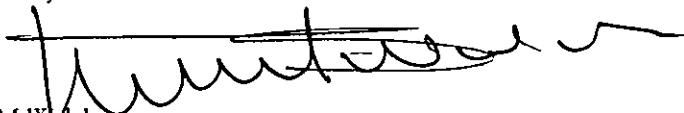
Company no. 1624144

The accompanying notes form part of these financial statements.

Company balance sheet

	Note	2012 £	2011 £
Fixed assets			
Corporate investments	8	<u>9,319,734</u>	<u>9,268,725</u>
		<u>9,319,734</u>	<u>9,268,725</u>
Current assets			
Debtors	9	<u>1,149,503</u>	<u>1,613,160</u>
Cash at bank and in hand		<u>-</u>	<u>39,162</u>
		<u>1,149,503</u>	<u>1,652,322</u>
Creditors amounts falling due within one year	10	<u>(16,714,486)</u>	<u>(16,147,076)</u>
Net current liabilities		<u>(15,564,983)</u>	<u>(14,494,754)</u>
Total assets less current liabilities		<u><u>(6,245,249)</u></u>	<u><u>(5,226,029)</u></u>
Financed by.			
Capital funding reserve	13	<u>7,660,241</u>	<u>7,660,241</u>
Profit and loss account	13	<u>(21,135,490)</u>	<u>(20,160,188)</u>
Members' deficit		<u>(13,475,249)</u>	<u>(12,499,947)</u>
Creditors amounts falling due after more than one year	11	<u>7,230,000</u>	<u>7,273,918</u>
		<u><u>(6,245,249)</u></u>	<u><u>(5,226,029)</u></u>

These financial statements were approved by the Board on 20 September 2012 and signed on their behalf by


 Mr M Walsh

Chair

Company no: 1624144

The accompanying notes form part of these financial statements.

Consolidated cash flow statement

	2012	2011
Note	£	£
Net cash outflow from operating activities	14 29,623	(273,620)
Returns on investments and servicing of finance		
Interest received	34,697	90,678
Interest paid	<u>(277,011)</u>	<u>(282,275)</u>
Net cash inflow / (outflow) from returns on investments and servicing of finance	(242,314)	(191,597)
Taxation paid	-	(48,821)
Capital expenditure and financial investment		
Purchase of investment properties	(627,845)	(1,776,682)
Disposal of investment properties	-	191,000
Purchase of corporate investments	(2,259,888)	(1,348,512)
Disposal and repayment of corporate investments	<u>1,231,219</u>	<u>692,155</u>
Net cash outflow from capital expenditure and financial investment activities	(1,656,514)	(2,242,039)
Net cash outflow before financing	<u>(1,869,205)</u>	<u>(2,756,077)</u>
Financing		
Repayment of bank loans	<u>9,903</u>	<u>(678,108)</u>
Net cash outflow from financing	15 9,903	(678,108)
Decrease in cash in the year	16 <u>(1,859,302)</u>	<u>(3,434,185)</u>

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 Constitution

Lancashire County Developments Limited is a company limited by guarantee. At 31 March 2012 there were 3 members (2011: 3), each of whom on a winding-up had undertaken to contribute an amount not exceeding £1.

2 Operating income and profit / (loss) on ordinary activities before taxation

Operating income and profit / (loss) on ordinary activities before taxation are attributable to the group's principal activities, which were carried out entirely within the United Kingdom. The profit / (loss) on ordinary activities before taxation is stated after charging:

	2012	2011
	£	£
Auditors' remuneration		
– audit services	23,434	28,416
– non-audit services	44,295	31,617
Management fee paid to Lancashire County Council	204,060	344,724
Operating lease rentals		
– land and buildings	<u>96,895</u>	<u>104,114</u>

Non-audit services relate primarily to tax compliance and advisory fees.

3 Net interest

	2012	2011
	£	£
Interest payable and similar charges		
Bank loans	<u>277,011</u>	<u>282,275</u>
Interest receivable		
Bank interest receivable	<u>34,697</u>	<u>90,768</u>

4 Directors and employees

The chairman received £Nil (2011: £Nil) during the year. The total received from the group by the other directors was £Nil (2011: £Nil).

The employees of the group were officially transferred to Lancashire County Council with effect from 1 January 2004. The average number of employees in the year ended 31 March 2012 was Nil (2011: Nil). Employee costs of £1,541,335 for the year (2011: £2,335,505) were recharged from Lancashire County Council to Lancashire County Developments Limited and are included within administrative expenses.

5 Taxation

	2012	2011
	£	£
Corporation tax on profit / (loss) on ordinary activities at 26% (2011 28%)		
– current year	30,465	-
– adjustment in respect of prior years	-	(41,179)
	<u>30,465</u>	<u>(41,179)</u>
Deferred taxation		
– current year (other)	22,289	52,447
– adjustment in respect of prior years	-	15,553
	<u>22,289</u>	<u>68,000</u>
	<u>52,754</u>	<u>26,821</u>
Tax on profit / (loss) on ordinary activities		

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 26% (2011 28%). The differences are explained as follows

	2012	2011
	£	£
Profit / (Loss) on ordinary activities before taxation	<u>4,251,122</u>	<u>(1,774,564)</u>
Profit / (Loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 26% (2011 28%)	1,105,292	(496,878)
Effect of		
Expenses not deductible for tax purposes	187,031	412,522
Differences between capital allowances and depreciation	(40,857)	(28,269)
Non-taxable income	(8,186)	-
Pension	(3,013)	-
Marginal relief	(2,238)	-
Profit on disposal	(1,207,564)	-
Unrelieved tax losses	-	112,625
Adjustment in respect of prior years	-	(41,179)
	<u>30,465</u>	<u>(41,179)</u>

6 Profit and loss account

Under the provisions of s480 of the Companies Act 2006, Lancashire County Developments Limited has not published its own profit and loss account. The loss dealt with in the financial statements of the parent undertaking is £975,032 (2011 £1,897,283)

7 Investment properties

Group	Freehold	Assets under the course of construction	Total
	£	£	£
Cost or valuation and net book value			
At 1 April 2011	40,582,361	-	40,582,361
Additions	156,845	-	156,845
Revaluation in the year	(15,960,174)	-	(15,960,174)
Disposal	(1,529,000)	-	(1,529,000)
At 31 March 2012	<u>23,250,032</u>	<u>-</u>	<u>23,250,032</u>
Cumulative grants			
At 31 March 2012			<u>3,143,188</u>
At 31 March 2011			<u>3,143,188</u>

The properties were externally revalued on an open market basis as at 31 March 2012 by King Sturge LLP. The historical cost of the premises are as follows

	£
At 31 March 2011	34,970,187
Additions	<u>156,840</u>
At 31 March 2012	<u>35,127,027</u>

In December 2011 a significant part of one of the group's properties was destroyed in a fire. The disposal of this asset has been reflected in these financial statements along with the current best estimate of the insurance proceeds receivable which are yet to be finalised.

Company

At the year end the cost and net book value of the assets was £Nil (2011 £Nil)

Capital commitments

At 31 March 2012, the group and the company had capital commitments of £Nil (2011 £Nil)

8 Corporate investments

	2012 £	Group 2011 £	2012 £	Company 2011 £
Shares in subsidiary undertakings	-	-	200	200
Shares in associated undertaking	163,136	163,136	-	-
Loans to subsidiary undertakings	-	-	9,219,529	9,219,529
Other investments in shares	1,120,464	739,318	100,005	48,996
Other participating interests	28,687	22,698	-	-
Other loans	2,326,802	1,679,279	-	-
	<u>3,639,089</u>	<u>2,604,431</u>	<u>9,319,734</u>	<u>9,268,725</u>

Subsidiary undertakings	Principal activity	% of ordinary shares	% of preference shares
Lancashire County Developments (Investments) Limited	Investment company	100	-
Lancashire County Developments (Property) Limited	Property investment	100	-
Lancashire Enterprises (Investments) Limited	Investment company	100	100
Lancashire County Enterprises (Leasing) Limited	Dormant	100	-
The Lancashire Rosebud (Small Firms) Fund Company Limited (Limited by guarantee)	Dormant	-	-

Associated undertaking

North West Regional Fund Limited	Investment company	25	-
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Other participating interests

Other participating interests at 31 March 2012 represent investments in The HSBC (UK) Enterprise Fund for the North West and the Enterprise Venture Fund. The interests are 11.9% and 15.7% respectively (2011: 11.9% and 15.7% respectively).

Corporate investments (continued)

Group

	Shares in associated undertakings £	Other participating interests £	Other investment in shares £	Loans £	Total £
Cost					
At 1 April 2011	163,136	22,698	2,107,441	2,982,265	5,275,540
Additions	-	-	-	2,259,888	2,259,888
Amounts written off	-	-	(544,134)	(215,366)	(759,500)
Repayments	-	-	-	(887,550)	(887,550)
Transfer	-	-	247,000	(247,000)	-
Net share of profits of other participating interests	-	5,989	-	-	5,989
At 31 March 2012	<u>163,136</u>	<u>28,687</u>	<u>1,810,307</u>	<u>3,892,237</u>	<u>5,843,363</u>
Provisions					
At 1 April 2011	-	-	1,368,123	1,302,986	2,671,109
Charge for the year	-	-	-	274,072	274,072
Amounts written off	-	-	-	(689,903)	(689,903)
Transfer	-	-	(727,276)	727,276	-
At 31 March 2012	<u>-</u>	<u>-</u>	<u>640,847</u>	<u>1,614,431</u>	<u>2,255,278</u>
Net book value					
At 31 March 2012	<u>163,136</u>	<u>28,687</u>	<u>1,120,464</u>	<u>2,326,802</u>	<u>3,639,089</u>
At 31 March 2011	<u>163,136</u>	<u>22,698</u>	<u>739,318</u>	<u>1,679,279</u>	<u>2,604,431</u>

	Principal activity	% of ordinary shares held at 31 March 2012	% of preference shares held at 31 March 2012
Other investments			
Manhattan Showers Limited	Manufacture of shower screens	20	-
North West Regional Fund Limited	Investment company	25	-
Plant Impact Plc	Development of crop nutrients and natural pesticides	3 72	-
SOL Publications Limited	Publishing and Media company	15	-
Outerlin Limited (formerly EXML Systems)	Development of Expense World Expenses System	2	-

The group holds other investments in which more than 20% of share capital is held. The group does not include these as associated undertakings as no significant influence is exerted over these companies.

9 Debtors: amounts falling due within one year

	2012 £	Group 2011 £.	2012 £	Company 2011 £
Trade debtors	1,731,232	1,579,824	258,607	551,305
Accrued income and prepayments	8,109,986	228,330	29,798	18,296
Amounts owed by parent undertaking	157,989	748,086	667,481	748,086
Amounts owed by other group undertakings	-	-	-	208,008
Amounts owed by related undertakings	-	2,938	-	2,938
Other debtors	1,320	7,776	-	-
Social security and other taxes	175,617	66,527	175,617	66,527
Deferred taxation (note 12)	-	-	18,000	18,000
	<u>10,176,144</u>	<u>2,633,481</u>	<u>1,149,503</u>	<u>1,613,160</u>

Included within accrued income and prepayments is an amount representing the expected insurance proceeds of £8,000,000, please see note 7 for further details

10 Creditors: amounts falling due within one year

	2012 £	Group 2011 £.	2012 £	Company 2011 £
Bank overdraft	-	930,662	542,554	930,662
Bank loans (note 11)	53,821	-	53,821	-
Trade creditors	1,106,300	329,775	1,106,300	329,775
Amounts owed to parent undertaking	-	1,010,991	-	1,010,991
Amounts owed to other group undertakings	-	-	14,451,786	12,629,480
Amounts owed to related undertakings	-	85,036	-	85,036
Corporation tax	30,465	-	-	-
Accruals and deferred income	2,783,812	3,273,826	560,025	1,161,132
	<u>3,974,398</u>	<u>5,630,290</u>	<u>16,714,486</u>	<u>16,147,076</u>

11 Creditors: amounts falling due after more than one year

	Group and Company	
	2012	2011
	£	£
Amount owed to parent undertaking - Lancashire County Council	7,230,000	7,230,000
Bank loans	-	43,918
	<u>7,230,000</u>	<u>7,273,918</u>

The loan from Lancashire County Council included in creditors amounts falling due after more than one year of £7,230,000 is interest free and is repayable in full on 30 September 2030

The Royal Bank of Scotland plc bank loans are repayable as follows

	Group and company	
	2012	2011
	£	£
Within one year	-	-
After one and within two years	53,821	43,918
After two and within five years	-	-
	<u>-</u>	<u>43,918</u>

The bank loan is secured by fixed and floating charges over all assets of the group and is repayable by equal quarterly instalments Interest is based upon bank LIBOR rate

12 Provisions for liabilities

Deferred taxation

	Group	Company
	£	£
Provision/(asset) at 1 April 2011	132,000	(18,000)
Charge for the year	22,289	-
Provision/(asset) at 31 March 2012	<u>154,289</u>	<u>(18,000)</u>

Deferred taxation provided for in the financial statements is set out below

	Group		Company	
	Amount provided 2012	Amount provided 2011	Amount provided 2012	Amount provided 2011
	£	£	£	£
Accelerated capital allowances	132,000	179,000	(18,000)	(18,000)
Other timing differences	22,289	(47,000)	-	-
	<u>154,289</u>	<u>132,000</u>	<u>(18,000)</u>	<u>(18,000)</u>

13 Reserves

Group	Capital funding reserve £	Investment property revaluation reserve £	Investment revaluation reserve £	Profit and loss account £
At 1 April 2011	8,730,878	19,331,317	-	11,230,756
Profit for the year	-	-	-	4,198,368
Unrealised movement in revaluations	-	(12,344,819)	-	-
Realisation of prior year revaluations	-	(1,721,000)	-	-
At 31 March 2012	<u>8,730,878</u>	<u>5,265,498</u>	<u>-</u>	<u>15,429,124</u>

Company	Capital funding reserve £	Profit and loss account £
At 1 April 2011	7,660,241	(20,160,188)
Loss for the year	-	(975,302)
At 31 March 2012	<u>7,660,241</u>	<u>21,135,490</u>

14 Net cash outflow from operating activities

	2012 £	2011 £
Operating profit / (loss)	387,791	(267,439)
Decrease / (Increase) in debtors	457,337	(205,781)
(Decrease) / Increase in creditors	(809,516)	205,589
Share of (profit)/loss in participating interests (note 8)	(5,989)	(5,989)
Net cash outflow from operating activities	<u>29,623</u>	<u>(273,620)</u>

15 Reconciliation of net cashflow to movement in net (debt)/ funds

	2012 £	2011 £
Decrease in cash in the year	(1,859,302)	(3,434,185)
Cash outflow from movement of debt	9,903	678,108
Movement in net funds	<u>(1,869,205)</u>	<u>(2,756,077)</u>
Opening net funds	(1,695,694)	1,060,383
Closing net (debt)/funds	<u>(3,564,899)</u>	<u>(1,695,694)</u>

16 Analysis of changes in net funds

	At 31 March 2011 £.	Cashflows £.	At 31 March 2012 £.
Bank overdraft	(930,662)	930,662	-
Cash at bank and in hand	6,508,886	(2,789,964)	3,718,922
Cash at bank	5,578,224	(1,859,302)	3,718,922
Bank loans			
The Royal Bank of Scotland plc	(43,918)	(9,903)	(53,821)
Other loans			
Lancashire County Council	(7,230,000)	-	(7,230,000)
	<u>(1,695,694)</u>	<u>(1,869,205)</u>	<u>(3,564,899)</u>

17 Operating lease commitments

Operating lease payments due within one year are as follows

	2012 Land and Buildings £.	2011 Land and Buildings £.
Expiring after five years	<u>96,895</u>	<u>92,860</u>

18 Related parties

The company has made purchases on behalf of Lancashire and Blackpool Tourist Board Limited of £Nil (2011 £Nil) The amount owed by this related party at 31 March 2012 is £Nil (2011 £Nil)

Sales from Lancashire County Council during the year amount to £2,488,260 (2011 £2,491,809)
 Purchases with Lancashire County Council amount to £3,734,591 (2011 £4,306,982) The amount owed by this related party at 31 March 2012 is £808,831 (2011 £854,960) The amount owed to this related party at 31 March 2012 is £932,202 (2011 £1,010,991)