

Wembley Leisure Limited

Directors' report and financial statements

31 December 1995

Registered number 1173914



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COMPANIES HOUSE 19/12/96

Wembley Leisure Limited

Directors' report and financial statements

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Wembley Leisure Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activities and business review

The principal activity of the company is that of an investment holding company. The loss on ordinary activities, after taxation, for the year was £176,000 (1994: loss of £2,164,000).

Post balance sheet events

The Company has, since 31 December 1995, disposed of its subsidiary undertaking Jongor Limited and has liquidated its associated undertaking. See note 17 for details.

Dividends

The directors do not recommend the payment of a dividend (1994: £Nil).

Directors and directors' interests

The directors who held office during the year were as follows:

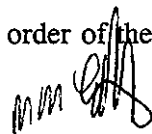
AC McCrindle	(resigned 30 June 1995)
AC Coppin	
BA Morrison	
Sir Brian Wolfson	(resigned 27 September 1995)
BN Potter	

None of the directors who held office at the end of the financial year had any interest in the shares of the company.

Mr AC Coppin and Mr BN Potter interests in the ultimate parent company, Wembley plc, are disclosed in the financial statements of that company.

At 1 January 1995 Mr BA Morrison held an option to purchase 40,000 ordinary shares of the ultimate parent company. On 3 April 1995, Mr BA Morrison released these options. On 15 March 1996, Mr BA Morrison was granted an option to purchase 12,526 ordinary shares of the ultimate parent company.

By order of the board



M McGrath
Secretary

Wembley Stadium
Wembley
HA9 0DW

Wembley Leisure Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



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London
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Auditors' report to the members of Wembley Leisure Limited

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

9th December 1996

Wembley Leisure Limited

Profit and loss account

for the year ended 31 December 1995

	<i>Note</i>	1995 £000	1994 £000
Administrative expenses	5	<u>(185)</u>	<u>(444)</u>
Operating loss from continuing operations		(185)	(444)
Loss on sale or termination of businesses	6	-	(1,906)
Other interest receivable and similar income		-	214
Interest payable and similar charges	7	<u>(13)</u>	<u>(45)</u>
Loss on ordinary activities before taxation	2-4	(198)	(2,181)
Tax on loss on ordinary activities	8	<u>22</u>	<u>17</u>
Loss for the financial year		(176)	(2,164)
Retained loss brought forward		<u>(9,123)</u>	<u>(6,959)</u>
Retained loss carried forward		<u>(9,299)</u>	<u>(9,123)</u>

There were no recognised gains or losses other than the retained loss for the year.

Historical cost profits and losses are as shown in the profit and loss account for the year.

Wembley Leisure Limited

Balance sheet

at 31 December 1995

	Note	1995		1994	
		£000	£000	£000	£000
Fixed assets					
Investments	9		2,293		2,293
Current assets					
Debtors	10	2,008		3,050	
Cash at bank and in hand		44		-	
Creditors: amounts falling due within one year	11	(432)		(13,083)	
Net current assets/(liabilities)			1,620		(10,033)
Total assets less current liabilities			3,913		(7,740)
Creditors: amounts falling due after more than one year	12		(11,865)		-
Provisions for liabilities and charges	13		(519)		(555)
Net liabilities			(8,471)		(8,295)
Capital and reserves					
Called up share capital	14		425		425
Share premium account			403		403
Profit and loss account			(9,299)		(9,123)
Equity shareholders' funds	15		(8,471)		(8,295)

These financial statements were approved by the board of directors on 6 December 1996 and were signed on its behalf by:



BN Potter
Director

Wembley Leisure Limited

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

The financial statements have been prepared on a going concern basis on the basis of the continuing support of the ultimate parent company, Wembley plc.

The company is a wholly owned subsidiary undertaking of another body corporate registered in England and Wales and is therefore exempt under S228 of the Companies Act 1985 from the requirement to prepare group accounts.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Goodwill

Goodwill, being the excess of the purchase consideration over the fair value of the separable net assets of the business acquired at the time of acquisition, is written off against reserves in the year in which it arises.

Foreign currencies

Assets and liabilities denominated in foreign currencies are restated in sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Gains or losses on translation are included in the profit and loss account.

2 Loss on ordinary activities before taxation

	1995	1994
	£000	£000
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration - audit work	26	2
- non audit work	5	6
	<hr/>	<hr/>

Wembley Leisure Limited

Notes (continued)

3 Remuneration of directors

None of the directors received any remuneration or benefits in kind from the company (1994: £nil).

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1995	1994
Management	<u>4</u>	<u>5</u>

The aggregate payroll costs of these persons was £nil (1994: £nil).

5 Administrative expenses

Included within administrative expenses are the following items which are exceptional by virtue of their size:

	1995	1994
	£000	£000
Provision against amounts receivable from fellow subsidiary undertakings	100	-
Provision for loss on lease	<u>-</u>	<u>436</u>
	<u>100</u>	<u>436</u>

Wembley Leisure Limited

Notes (continued)

6 Loss on sale or termination of businesses

Following the decision to terminate the group's entertainment operations in Japan, provision has been made to write off the company's investment in these operations and to provide in full for the associated costs and liabilities of termination, as follows:

	1995 £	1994 £
Provision against amounts receivable from associated undertakings	-	853
Losses and provisions arising on the discontinuance and closure of the Japanese operations	-	1,053
	<u>-</u>	<u>1,906</u>

7 Interest payable and similar charges

	1995 £000	1994 £000
On bank loans, overdrafts and other loans wholly repayable within five years	13	45
	<u>13</u>	<u>45</u>

8 Tax on loss on ordinary activities

	1995 £000	1994 £000
Corporation tax credit for the year at 33%	(22)	-
Credit relating to earlier years	-	(17)
	<u>(22)</u>	<u>(17)</u>

Wembley Leisure Limited

Notes (continued)

9 Fixed asset investments

Shares in
subsidiary
undertakings
£000

At 1 January and 31 December 1995 2,293

At 31 December 1995 the company had the following principal subsidiary and associated undertakings:

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
<i>Shares in subsidiary undertakings</i>			
Jongor Limited	Great Britain	A&B	100% ordinary
<i>Shares in associated undertakings</i>			
Wembley Japan Limited	Japan	C	50% ordinary

- A- Party organising
- B- Furniture, marquee and catering equipment hire
- C- Provision of management contracting services

The company incorporated in Great Britain is registered in England and Wales.

See note 17 for details of post balance sheet events.

10 Debtors

	1995 £000	1994 £000
Amounts owed by fellow subsidiary undertakings	931	1,972
Amounts owed by subsidiary undertakings	925	925
Other debtors	152	153
	<u>2,008</u>	<u>3,050</u>

Wembley Leisure Limited

Notes (continued)

11 Creditors: amounts falling due within one year

	1995 £000	1994 £000
Bank loans and overdrafts	-	712
Amounts owed to ultimate parent company and fellow subsidiary undertakings	-	7,046
Amounts owed to subsidiary undertakings	-	4,270
Accruals and deferred income	432	1,055
	<u>432</u>	<u>13,083</u>

Details of the company's banking arrangements are set out in the note on contingent liabilities.

12 Creditors: amounts falling due after more than one year

	1995 £000	1994 £000
Amounts owed to ultimate parent company and fellow subsidiary undertakings	<u>11,865</u>	<u>-</u>

Wembley Leisure Limited

Notes (continued)

13 Provisions for liabilities and charges

	Closure costs £000	Lease provision £000	Total £000
At 1 January 1995	119	436	555
Costs charged in year	(4)	(32)	(36)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	115	404	519
	<hr/>	<hr/>	<hr/>

14 Called up share capital

	1995 £000	1994 £000
<i>Authorised</i>		
32,000,000 ordinary shares of 2p each	640	640
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
21,251,893 ordinary shares of 2p each	425	425
	<hr/>	<hr/>

15 Reconciliation of movements in shareholders' funds

	1995 £000	1994 £000
Shareholders' funds brought forward	(8,295)	(6,131)
Retained loss for the year	(176)	(2,164)
	<hr/>	<hr/>
Shareholders' funds carried forward	(8,471)	(8,295)
	<hr/>	<hr/>

Wembley Leisure Limited

Notes *(continued)*

16 **Contingent liabilities**

The group's lenders have agreed new committed, secured lending facilities for the group of, in aggregate, £82.5 million. The amortisation of these facilities requires repayments, on a group basis, during the years ending 31 December 1997, 1998 and 1999 with the balance maturing in May 2000. Security has been given to the lenders over the Company's assets and the Company has given cross guarantees for borrowings of other group companies up to the amount of the facilities.

17 **Post balance sheet events**

On 20 February 1996, the Company's associated undertaking, Wembley Japan Limited, was liquidated.

On 18 April 1996, the Company transferred the shares in its subsidiary undertaking, Jongor Limited, to Wembley plc for consideration equal to the carrying value of the investment at 31 December 1995.

18 **Ultimate parent company**

The ultimate parent undertaking is Wembley plc, a company incorporated in Great Britain and registered in England and Wales. The accounts of Wembley plc may be obtained on application to The Company Secretary, Wembley plc, Wembley Stadium, Wembley, Middlesex HA9 ODW.