

KPMG

Wembley Leisure Limited

Directors' report and financial statements

31 December 1991

Registered number 1173914



Wembley Leisure Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Auditors' report	2
Profit and loss account	3
Balance sheet	4
Statement of source and application of funds	5
Notes	6-13

Wembley Leisure Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1991.

Principal activities and business review

The principal activity of the company is that of an investment holding company. It is the directors' intention that the company will continue this activity.

Dividends

The directors do not recommend the payment of a dividend (1991: £Nil).

Directors and directors' interests

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

AC McCrindle		
AC Coppin	-	appointed 31 December 1991
BA Morrison	-	appointed 31 December 1991
KV Dunton	-	resigned 19 February 1991
JR Heaver	-	resigned 19 February 1991
DG Payne	-	resigned 19 December 1991
PJ Tomlinson	-	resigned 19 February 1991
OJ Vaughan	-	resigned 31 December 1991
TJ Vaughan	-	resigned 28 June 1991
Sir Brian Wolfson	-	resigned 19 February 1991

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

During the year the company maintained insurance for Mr OJ Vaughan against liabilities in relation to the company.

Mr AC Coppin and Mr AC McCrindle's interests in the ultimate parent company, Wembley plc, are disclosed in the financial statement of that company.

Mr BA Morrison has no interest in the shares of the ultimate parent company.

Wembley Leisure Limited

Directors' report

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board

JB Dawkins
Secretary

Wembley Stadium
Wembley
HA9 0DW

6 May 1992

KPMG Peat Marwick

PO Box 486
1 Puddle Dock
London EC4A 3BR

Report of the auditors to the members of Wembley Leisure Limited

We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



6 May 1992

*Chartered Accountants
Registered Auditor*

Wendroy Leisure Limited

Profit and Loss Account for the year ended 31 December 1991

	<i>Note</i>	1991 £'000	1990 £'000
Turnover		119	-
Administrative expenses		(1,503)	(897)
Income from shares in related undertakings		-	8
Other interest receivable and similar income	5	-	624
Amounts written off investments		(3,175)	-
Interest payable and similar charges	6	(216)	(442)
Loss on ordinary activities before taxation	2	(4,775)	(707)
Tax on loss on ordinary activities	7	1,150	319
Loss on ordinary activities after taxation		(3,625)	(388)
Extraordinary items	8	-	1,824
(Loss)/profit for the financial year		(3,625)	1,436
Retained loss brought forward		(1,634)	(3,070)
Retained loss carried forward		(5,259)	(1,634)

Wembley Leisure Limited

Balance sheet

at 31 December 1992

	Note	1991		1990	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		176		214
Investments	10		2,902		5,906
			<u>3,078</u>		<u>6,120</u>
Current assets					
Stocks	11	16		16	
Debtors	12	3,369		3,117	
		<u>3,385</u>		<u>3,133</u>	
Creditors: amounts falling due within one year	13	<u>(7,707)</u>		<u>(6,872)</u>	
Net current liabilities			<u>(4,322)</u>		<u>(3,739)</u>
Total assets less current liabilities			<u>(1,244)</u>		<u>2,381</u>
Creditors: amounts falling due after more than one year	14		<u>(3,187)</u>		<u>(3,187)</u>
Net liabilities			<u>(4,431)</u>		<u>(806)</u>
Capital and reserves					
Called up share capital	15		425		425
Share premium account			403		403
Profit and loss account			<u>(5,259)</u>		<u>(1,634)</u>
			<u>(4,431)</u>		<u>(806)</u>

These financial statements were approved by the board of directors on 6 May 1992 and were signed on its behalf by:

[Signature]

BA Morrison
Director

Wembley Leisure Limited

Statement of source and application of funds for the year ended 31 December 1991

	1991 £000	1991 £000
Source of funds		
Loss on ordinary activities before taxation		(4,775)
Adjustments for items not involving the movement of funds		
Depreciation and amortisation	31	
Loss on sale of tangible fixed assets	30	
Write down of investments	3,175	
		3,236

Funds absorbed by operations		(1,539)
Funds from other sources		
Proceeds of sale of tangible fixed assets	6	
Tax received	90	
Group relief received	1,663	
		1,759

		220
Application of funds		
Purchase of fixed assets	29	
Purchase of investments	171	
		(200)

Increase in working capital		20

Components of increase in working capital		
Debtors	252	
Creditors falling due within one year	891	
		1,143

Movement in net liquid funds		(1,123)
Increase in bank loans and overdrafts		20

Wembley Leisure Limited

Notes

forming part of the financial statements

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.

Group accounts are not presented as the company is a wholly-owned subsidiary of another company incorporated in the United Kingdom. The accounts are prepared on the basis that the company will receive such group support as is necessary to maintain it as a going concern.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	4 years
Fixtures & fittings	-	10 years
Short leasehold premises	-	life of the lease

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.

Deferred expenditure

Certain expenditure incurred in connection with the development of the group's activities in Japan has been deferred and is being amortised over 5 years, this being the directors estimate of the period over which the benefit of this expenditure will accrue.

Stocks

Stocks are stated at the lower of cost and net realisable value

Warwick Finance Limited

Notes to the accounts

Loss on ordinary activities before tax 1991

	1991 £000	1990 £000
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charges:</i>		
Auditors' remuneration	35	24
Depreciation	32	25
Write down in value of investment in associated undertaking	30	-
Write down in value of investment in subsidiary undertaking	229	-
Write down in value of other investments	2,916	-
Restructuring and reorganisation costs	463	-
	<u>3,705</u>	<u>49</u>

3 Remuneration of directors

	1991 £000	1990 £000
Directors' emoluments	338	324
Compensation for loss of office	311	14
	<u>649</u>	<u>338</u>

Compensation for loss of office includes a company car valued at £29,000 retained by one director.

The emoluments, excluding pension contributions, of the Chairman were £Nil (1990:£Nil) and those of the highest paid director were £159,564 (1990:£157,400).

The emoluments, excluding pension contributions, of the directors were within the following ranges:

		Number of directors	
		1991	1990
£0	- £ 5,000	7	5
£ 5,001	- £10,000	-	1
£35,001	- £49,000	-	1
£45,001	- £50,000	-	1
£50,001	- £55,000	1	1
£85,001	- £95,000	1	-
£155,001	- £100,000	1	1
		<u>10</u>	<u>10</u>

5 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	
	1991	1990
Management	<u>6</u>	<u>8</u>

The aggregate payroll costs of these persons were as follows:

	1991	1990
	£'000	£'000
Wages and salaries	377	372
Social security costs	31	43
Other pension costs	35	54
	<u>443</u>	<u>469</u>

Wembley Leisure Limited

Notes to the accounts

5 Other interest receivable and similar amounts

	1991 £000	1990 £000
Interest receivable	-	124
Exchange gains on foreign currency transactions	-	448
Other	-	52
	<u>-</u>	<u>624</u>

6 Interest payable and similar charges

	1991 £000	1990 £000
On bank loans, overdrafts and other loans wholly repayable within five years	216	203
Interest on loan stock held by group undertaking	-	239
	<u>216</u>	<u>442</u>

7 Taxation

	1991 £000	1990 £000
UK corporation tax at 33.25% (1990: 34.25%) on the loss for the year on ordinary activities	411	319
Adjustment relating to an earlier year	739	-
	<u>1,150</u>	<u>319</u>

8 Extraordinary profits

	1991 £000	1990 £000
<i>Extraordinary income</i>		
Profit on sale of Sound Sea	-	2,842
<i>Tax on extraordinary profit</i>		
Corporation tax at 33.25% (1990: 34.25%)	-	(1,018)
Extraordinary profit after taxation	<u>-</u>	<u>1,824</u>

9 Tangible fixed assets

	Short leasehold premises £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<i>Cost</i>				
At 1 January 1991	143	29	68	240
Additions	18	11	-	29
Disposals	(6)	-	(34)	(40)
At 31 December 1991	<u>155</u>	<u>40</u>	<u>34</u>	<u>229</u>
<i>Depreciation or diminution in value</i>				
At 1 January 1991	5	3	18	26
Charge for year	19	4	9	32
On disposals	-	-	(5)	(5)
At 31 December 1991	<u>24</u>	<u>7</u>	<u>22</u>	<u>53</u>
<i>Net book value</i>				
At 31 December 1991	<u>131</u>	<u>33</u>	<u>12</u>	<u>176</u>
At 31 December 1990	<u>138</u>	<u>26</u>	<u>50</u>	<u>214</u>

Wembley Leisure Limited

Notes to the accounts

Fixed asset investments

	Shares in subsidiary undertakings	Shares in associated undertakings	Other investments other than loans	Total
	£000	£000	£000	£000
Cost				
At 1 January 1991	2,522	51	3,353	5,906
Additions	-	133	38	171
Amounts written off	(229)	(30)	(2,916)	(3,175)
At 31 December 1991	2,293	134	475	2,902

At 31 December 1991 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>			
Raffles Club Limited	Great Britain	B	100% ordinary
Jongor Limited	Great Britain	C&E	100% ordinary
Hot Gossip Limited	Hong Kong	B	100% ordinary
<i>Shares in associated undertakings</i>			
Inspport Consultants Limited	Great Britain	D	40% ordinary
Databeat Digital Music System Limited	Great Britain	A	50% ordinary
Wembley Japan Limited	Japan	F	50% ordinary

- A- Equipment sales
- B- Club operation
- C- Party organising
- D- Corporate Hospitality
- E- Furniture, marquee and catering equipment hire
- F- Provision of management contracting services

The companies incorporated in Great Britain are registered in England and Wales.

Other investments other than loans, comprise an investment in 17% of the ordinary share capital of LRG (H) Limited, a company in the discotheque services business.

11 Stocks

	1991 £'000	1990 £'000
Finished goods and goods for resale	16	16

Wempey Leisure Limited

Notes continued

12 Debtors

	1991	1990
Amounts owed by group undertakings	2,805	2,299
Amounts owed by undertakings in which the company has a participating interest	62	-
Other debtors	243	512
Prepayments and accrued income	2	-
Deferred expenditure	257	306
	<u>3,369</u>	<u>3,117</u>

Deferred expenditure includes an amount of £193,000 (1990: £245,000) which is recoverable after more than one year.

13 Creditors: amounts falling due within one year

	1991 £'000	1990 £'000
Bank loans and overdrafts	2,243	1,120
Amounts owed to parent undertaking	-	969
Amounts owed to group undertaking	4,755	4,076
Other creditors including taxation and social security	620	697
Accruals and deferred income	89	10
	<u>7,707</u>	<u>6,872</u>

14 Creditors: amounts falling due after more than one year

	1991 £'000	1990 £'000
Amounts owed to parent undertaking	<u>3,187</u>	<u>3,187</u>

Wembley Leisure Limited

Notes to the accounts

15 Called up share capital

	1991	1990
	£'000	£'000
<i>Authorised</i>		
32,000,000 ordinary shares of 2p each	640	640
<i>Allotted, called up and fully paid</i>		
21,251,893 ordinary shares of 2p each	425	425

16 Source and application of funds

The company was exempt from the requirement to prepare a statement of source and application of funds for the year ended 31 December 1990, as turnover in that year was £Nil. Consequently, there are no comparative figures for the statement of source and application of funds for the year ended 31 December 1991.

17 Contingent liabilities

In conjunction with other subsidiary undertakings the company has given guarantees amounting to £96,399,000 at 31 December 1991 (1990: £135,000,000) in respect of various group borrowings.

18 Ultimate parent company

The company is a subsidiary undertaking of Wembley plc, a company registered in England and Wales.

The group accounts of Wembley plc may be obtained on application to The Company Secretary, Wembley plc, Wembley Stadium, Wembley, Middlesex HA9 0DW.