

Company Registration No. 1321789 (England and Wales)

**MESSENGER LEISURE LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2004**



# MESSENGER LEISURE LIMITED

## DIRECTORS AND ADVISERS

---

<b>Directors</b>	S J Shah J F Shah A H M Stone P Sanderson
<b>Secretary</b>	A H M Stone
<b>Company number</b>	1321789
<b>Registered office</b>	The Wiltshire Golf and Country Club Vastern, Wootton Bassett Swindon Wiltshire SN4 7PB
<b>Registered auditors</b>	Lopian Gross Barnett & Co. Cardinal House 20 St. Mary's Parsonage Manchester M3 2LG
<b>Bankers</b>	National Westminster Bank plc PO Box 342 Ransomes Europark Ipswich Suffolk IP3 9TW
<b>Solicitors</b>	Cobbetts Ship Canal House King Street Manchester M2 4WB

---

# MESSENGER LEISURE LIMITED

## CONTENTS

---

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Balance sheets	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the financial statements	9 - 19

---

# MESSENGER LEISURE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2004

The directors present their report and financial statements for the year ended 30 April 2004.

### Directors

The following directors have held office since 1 May 2003:

S J Shah  
J F Shah  
A H M Stone  
P Sanderson

### Principal activities and review of the business

The principal activity of the company continued to be that of the acquisition, development and operation of leisure complexes.

During the year the company disposed of its site at Bury St Edmonds.

The construction of the hotel at the company's Wootton Bassett site was completed and opened. The hotel is now operational and the directors believe that it will make significant contribution to the profit of the company.

### Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

The directors do not recommend payment of an ordinary dividend.

The directors do not recommend payment of a preference dividend.

### Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

### Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

	2004 £	2003 £
During the year the company made the following payments:		
Charitable donations	120	765

### Creditor payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

### Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Lopian Gross Barnett & Co., will be deemed to be reappointed for each succeeding financial year.

# MESSENGER LEISURE LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

---

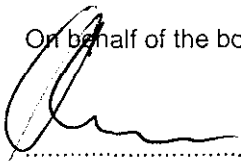
### Directors' responsibilities

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 group and of the profit or loss of the group 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 group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



A H M Stone

Director

11/4/05

# **MESSENGER LEISURE LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MESSENGER LEISURE LIMITED**

---

We have audited the financial statements of Messenger Leisure Limited on pages 5 to 19 for the year ended 30 April 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the *Companies Act 1985*. 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 described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the *Companies Act 1985*. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 and the group'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.

# MESSENGER LEISURE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF MESSENGER LEISURE LIMITED

---

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 30 April 2004 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lopian Gross Barnett & Co.

Chartered Accountants  
**Registered Auditor**

11/4/05

Cardinal House  
20 St. Mary's Parsonage  
Manchester  
M3 2LG

# **MESSENGER LEISURE LIMITED**

## **CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2004**

	Notes	2004 £	2003 £
Turnover	2	2,599,542	2,149,670
Cost of sales		(1,199,246)	(1,108,873)
<b>Gross profit</b>		<b>1,400,296</b>	<b>1,040,797</b>
Administrative expenses		(1,354,826)	(1,433,373)
<b>Operating profit/(loss)</b>	3	<b>45,470</b>	<b>(392,576)</b>
Exceptional items - Profit on disposal of assets		624,068	-
<b>Profit/(loss) on ordinary activities before interest</b>		<b>669,538</b>	<b>(392,576)</b>
Other interest receivable and similar income		508	-
Interest payable and similar charges	4	(261,341)	(148,051)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>408,705</b>	<b>(540,627)</b>
Tax on profit/(loss) on ordinary activities	5	275	188
<b>Profit/(loss) on ordinary activities after taxation</b>	15	<b>408,980</b>	<b>(540,439)</b>

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

There are no recognised gains and losses other than those passing through the profit and loss account.



# MESSENGER LEISURE LIMITED

## BALANCE SHEETS AS AT 30 APRIL 2004

		Group		Company	
	Notes	2004 £	2003 £	2004 £	2003 £
<b>Fixed assets</b>					
Tangible assets	7	4,856,918	7,411,735	4,745,318	7,276,352
Investments	8	-	-	2	2
		<u>4,856,918</u>	<u>7,411,735</u>	<u>4,745,320</u>	<u>7,276,354</u>
<b>Current assets</b>					
Stocks	9	22,164	54,290	22,164	54,290
Debtors	10	131,278	271,883	131,278	263,013
Cash at bank and in hand		706,811	767,536	6,137	10,134
		<u>860,253</u>	<u>1,093,709</u>	<u>159,579</u>	<u>327,437</u>
<b>Creditors: amounts falling due within one year</b>	11	(2,922,502)	(3,688,475)	(6,316,140)	(6,286,239)
<b>Net current liabilities</b>		<u>(2,062,249)</u>	<u>(2,594,766)</u>	<u>(6,156,561)</u>	<u>(5,958,802)</u>
<b>Total assets less current liabilities</b>		<u>2,794,669</u>	<u>4,816,969</u>	<u>(1,411,241)</u>	<u>1,317,552</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(1,100,600)	(3,531,605)	(1,100,600)	(3,504,800)
<b>Provisions for liabilities and charges</b>	13	(8,330)	(8,605)	-	-
		<u>1,685,739</u>	<u>1,276,759</u>	<u>(2,511,841)</u>	<u>(2,187,248)</u>
<b>Capital and reserves</b>					
Called up share capital	14	4,300,000	4,300,000	4,300,000	4,300,000
Profit and loss account	15	(2,614,261)	(3,023,241)	(6,811,841)	(6,487,248)
	16	<u>1,685,739</u>	<u>1,276,759</u>	<u>(2,511,841)</u>	<u>(2,187,248)</u>
Equity interests		1,185,739	776,759	(3,011,841)	(2,687,248)
Non-equity interests		500,000	500,000	500,000	500,000
		<u>1,685,739</u>	<u>1,276,759</u>	<u>(2,511,841)</u>	<u>(2,187,248)</u>

The financial statements were approved by the board on 11/4/05

S J Shah  
Director

J F Shah  
Director

# MESSENGER LEISURE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2004

	2004		2003	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		109,217		481,384
<b>Returns on investments and servicing of finance</b>				
Interest received	508		-	
Interest paid	(197,020)		(106,328)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(196,512)		(106,328)
<b>Taxation</b>		-		21,778
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(1,561,456)		(2,474,565)	
Receipts from sales of tangible assets	4,472,653		24,294	
<b>Net cash inflow/(outflow) for capital expenditure</b>		2,911,197		(2,450,271)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		2,823,902		(2,053,437)
<b>Financing</b>				
New long term bank loan	1,821,407		1,546,754	
Other new long term loans	29,998		490,809	
Other new short term loans	44,198		346,270	
Repayment of long term bank loan	(3,389,834)		(160,625)	
Repayment of other long term loans	(865,771)		(28,281)	
Repayment of other short term loans	(262,166)		-	
Capital element of hire purchase contracts	(28,077)		(90,771)	
<b>Net cash (outflow)/inflow from financing</b>		(2,650,245)		2,104,156
<b>(Decrease)/increase in cash in the year</b>		173,657		50,719

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2004

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit/(loss)	45,470	(392,576)
	Depreciation of tangible assets	223,119	405,138
	(Loss)/profit on disposal of tangible assets	44,569	(10,599)
	Decrease/(increase) in stocks	32,126	(12,522)
	Decrease/(increase) in debtors	140,605	(122,725)
	(Decrease)/Increase in creditors within one year	(376,672)	614,668
	<b>Net cash inflow from operating activities</b>	<b>109,217</b>	<b>481,384</b>

2	Analysis of net debt	1 May 2003	Cash flow	Other non-cash changes	30 April 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	767,536	(60,725)	-	706,811
	Bank overdrafts	(1,355,783)	234,382	-	(1,121,401)
		(588,247)	173,657	-	(414,590)
	Finance leases	(55,397)	28,077	-	(27,320)
	Debts falling due within one year	(415,499)	217,968	-	(197,531)
	Debts falling due after one year	(3,504,800)	2,404,200	-	(1,100,600)
		(3,975,696)	2,650,245	-	(1,325,451)
	<b>Net debt</b>	<b>(4,563,943)</b>	<b>2,823,902</b>	<b>-</b>	<b>(1,740,041)</b>

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	Increase in cash in the year	173,657	50,719
	Cash outflow/(inflow) from decrease/(increase) in debt	2,650,245	(2,104,156)
	<b>Movement in net debt in the year</b>	<b>2,823,902</b>	<b>(2,053,437)</b>
	Opening net debt	(4,563,943)	(2,510,506)
	<b>Closing net debt</b>	<b>(1,740,041)</b>	<b>(4,563,943)</b>

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2004

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 April 2004. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% on cost
Fixtures, fittings & equipment	at rates varying from 12.5% to 25% reducing balance and 33/1/3% straight line
Motor vehicles	25% reducing balance

No depreciation is provided in respect of assets involved in any new leisure complex until the project is fully operational.

#### 1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.8 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.9 Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when timing differences reverse, based on current tax rates and laws.

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

### 1 Accounting policies

(continued)

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.11 Interest

Interest is capitalised gross during the period of construction where it relates to the financing of major projects with long periods of development or to dedicated financing of other projects. All other interest is charged against income.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit/(loss)

2004

2003

£

£

Operating profit/(loss) is stated after charging:

Depreciation of tangible assets

223,119

405,138

Loss on disposal of tangible assets

44,569

2,219

Auditors' remuneration (company £10,000; 2003: £20,000)

17,500

27,500

Remuneration of auditors for non-audit work

23,914

35,271

and after crediting:

Profit on disposal of tangible assets

-

(12,818)

### 4 Interest payable

2004

2003

£

£

On bank loans and overdrafts

162,037

88,176

Lease finance charges

4,985

12,849

On overdue tax

64,321

41,723

Other interest

29,998

5,303

261,341

148,051

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

### 5 Taxation

<b>Current tax charge</b>	-	-
<b>Deferred tax</b>		
Deferred tax charge/credit current year	(275)	(188)
<b>Factors affecting the tax charge for the year</b>		
Profit/(loss) on ordinary activities before taxation	408,705	(540,627)
<i>Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)</i>	77,654	(102,719)
Effects of:		
Non deductible expenses	21,880	38,507
Depreciation add back	44,514	76,976
Capital allowances	(28,398)	(64,395)
Tax losses utilised	2,923	51,631
Other tax adjustments	(118,573)	-
	(77,654)	102,719
<b>Current tax charge</b>	-	-

The company has estimated losses of £ 2,205,343 (2003: £ 2,643,145) available for carry forward against future trading profits.

### 6 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2004 £	2003 £
Holding company's loss for the financial year	(324,593)	(1,008,319)
Share of net profit retained by associated undertakings	755,539	467,880

# **MESSENGER LEISURE LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2004**

### **7 Tangible fixed assets** **Group**

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 May 2003	6,498,442	2,326,175	45,648	8,870,265
Additions	1,383,000	174,561	3,895	1,561,456
Disposals	(3,396,296)	(1,394,238)	(45,648)	(4,836,182)
At 30 April 2004	4,485,146	1,106,498	3,895	5,595,539
<b>Depreciation</b>				
At 1 May 2003	200,018	1,227,928	30,584	1,458,530
On disposals	(144,381)	(768,063)	(30,584)	(943,028)
Charge for the year	70,026	152,119	974	223,119
At 30 April 2004	125,663	611,984	974	738,621
<b>Net book value</b>				
At 30 April 2004	4,359,483	494,514	2,921	4,856,918
At 30 April 2003	6,298,424	1,098,248	15,063	7,411,735

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 April 2004	76,529	-	76,529
At 30 April 2003	90,034	-	90,034
<b>Depreciation charge for the year</b>			
30 April 2004	13,505	-	13,505
30 April 2003	15,889	-	15,889

Included in freehold property is capitalised interest of £21,181. The capitalisation rate has been based on the average interest rate during the period of construction.

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

### 7 Tangible fixed assets (continued) Company

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 May 2003	6,465,899	2,162,714	45,648	8,674,261
Additions	1,383,000	168,020	3,895	1,554,915
Disposals	(3,393,760)	(1,377,063)	(45,648)	(4,816,471)
At 30 April 2004	4,455,139	953,671	3,895	5,412,705
<b>Depreciation</b>				
At 1 May 2003	200,018	1,167,307	30,584	1,397,909
On disposals	(144,381)	(764,270)	(30,584)	(939,235)
Charge for the year	70,026	137,713	974	208,713
At 30 April 2004	125,663	540,750	974	667,387
<b>Net book value</b>				
At 30 April 2004	4,329,476	412,921	2,921	4,745,318
At 30 April 2003	6,265,881	995,408	15,063	7,276,352

Included in freehold property is capitalised interest of £21,181. The capitalisation rate has been based on the average interest rate during the period of construction.

### 8 Fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 May 2003 & at 30 April 2004	2
At 30 April 2003	2

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.



# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

### 9 Stocks

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Goods for resale	22,164	54,290	22,164	54,290

### 10 Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	-	51,594	-	51,594
Other debtors	124,805	195,488	124,805	194,153
Prepayments and accrued income	6,473	24,801	6,473	17,266
	131,278	271,883	131,278	263,013

### 11 Creditors : amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	1,159,863	1,617,949	1,159,863	1,617,949
Net obligations under finance lease and hire purchase contracts	27,320	28,592	-	-
Trade creditors	208,694	379,552	191,897	355,100
Amounts owed to group undertakings	-	-	4,680,565	3,799,686
Taxes and social security costs	1,212,347	1,136,695	7,257	15,614
Directors current accounts	15,551	14,327	15,551	14,327
Other creditors	159,069	153,333	159,069	153,333
Accruals and deferred income	139,658	358,027	101,938	330,230
	2,922,502	3,688,475	6,316,140	6,286,239
Debt due in one year or less	197,531	415,499	197,531	415,499

The bank loans and overdraft are secured by way of legal mortgages over the freehold properties of the company dated 27 July 2000 and 30 March 2001, an unscheduled debenture incorporating a fixed and floating charge over all and future assets of the company, and a guarantee from Messenger Leisure Limited covering the liabilities of Messenger Leisure Developments Limited both dated 27 July 2000.

# **MESSENGER LEISURE LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2004**

### **12 Creditors : amounts falling due after more than one year**

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans	461,539	2,029,966	461,539	2,029,966
Other loans	639,061	1,474,834	639,061	1,474,834
Net obligations under finance leases and hire purchase agreements	-	26,805	-	-
	<u>1,100,600</u>	<u>3,531,605</u>	<u>1,100,600</u>	<u>3,504,800</u>

#### **Analysis of loans**

Not wholly repayable within five years by instalments:

Bank loan	-	2,292,132	-	-
Bank loan	-	-	500,000	2,292,132

Not wholly repayable within five years other than by instalments:

Amounts due to group undertakings	-	1,117,997	-	-
Amounts due to group undertakings	-	-	420,488	1,117,997
Brewery loan	-	-	50,664	-
Wholly repayable within five years	<u>1,298,131</u>	<u>510,170</u>	<u>326,979</u>	<u>510,170</u>

	<u>1,298,131</u>	<u>3,920,299</u>	<u>1,298,131</u>	<u>3,920,299</u>
Included in current liabilities	<u>(197,531)</u>	<u>(415,499)</u>	<u>(197,531)</u>	<u>(415,499)</u>
	<u>1,100,600</u>	<u>3,504,800</u>	<u>1,100,600</u>	<u>3,504,800</u>
Instalments not due within five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### **Loan maturity analysis**

In more than one year but not more than two years	217,842	415,499	217,842	415,499
In more than two years but not more than five years	132,591	933,001	132,591	933,001
In more than five years	<u>750,167</u>	<u>2,156,300</u>	<u>750,167</u>	<u>2,156,300</u>

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

### 12 Creditors : amounts falling due after more than one year (continued)

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
<b>Net obligations under finance leases and hire purchase contracts</b>				
Repayable within one year	32,078	33,577	-	-
Repayable between one and five years	-	31,563	-	-
	<u>32,078</u>	<u>65,140</u>	<u>-</u>	<u>-</u>
Finance charges and interest allocated to future accounting periods	(4,758)	(9,743)	-	-
	<u>27,320</u>	<u>55,397</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(27,320)	(28,592)	-	-
	<u>-</u>	<u>26,805</u>	<u>-</u>	<u>-</u>

### 13 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 May 2003	8,605
Profit and loss account	(275)
	<u>8,330</u>
Balance at 30 April 2004	<u>8,330</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Accelerated capital allowances	<u>8,330</u>	<u>8,605</u>	<u>-</u>	<u>-</u>

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

14 Share capital	2004 £	2003 £
<b>Authorised</b>		
4,500,000 Ordinary shares of £1 each	4,500,000	4,500,000
500,000 Preference shares of £1 each	500,000	500,000
	<u>5,000,000</u>	<u>5,000,000</u>
<b>Allotted, called up and fully paid</b>		
3,800,000 Ordinary shares of £1 each	3,800,000	3,800,000
500,000 Preference shares of £1 each	500,000	500,000
	<u>4,300,000</u>	<u>4,300,000</u>

The preference shares are redeemable at par on the earliest of a) the expiry of 30 days after receipt of notice from the holder, which may not be served prior to 31 December 2003 or the exercising by the holder of an option to convert the preference shares into the same number of £1 ordinary shares.

### 15 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 May 2003	(3,023,241)
Retained profit for the year	<u>408,980</u>
Balance at 30 April 2004	<u>(2,614,261)</u>

### Company

	Profit and loss account £
Balance at 1 May 2003	(6,487,248)
Retained loss for the year	<u>(324,593)</u>
Balance at 30 April 2004	<u>(6,811,841)</u>

Under the provisions of clause 3(v) of its Memorandum of Association, Messenger Leisure Developments Limited is not permitted to distribute any of its profits to its shareholders except on winding up or dissolution or to another non-profit making body, but is to utilise any surplus funds for the continuance or improvement of the facilities for sport or physical education made available or provided by the company for the benefit of individuals using those facilities.

# MESSENGER LEISURE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2004

<b>16 Reconciliation of movements in shareholders' funds</b>	<b>2004</b>	<b>2003</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Profit/(Loss) for the financial year	408,980	(540,439)
Opening shareholders' funds	1,276,759	1,817,198
	<u>          </u>	<u>          </u>
Closing shareholders' funds	1,685,739	1,276,759
	<u>          </u>	<u>          </u>
	<b>2004</b>	<b>2003</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Loss for the financial year	(324,593)	(1,008,319)
Opening shareholders' funds	(2,187,248)	(1,178,929)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	(2,511,841)	(2,187,248)
	<u>          </u>	<u>          </u>
<b>17 Directors' emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	54,583	104,000
	<u>          </u>	<u>          </u>
<b>18 Employees</b>		
<b>Number of employees</b>		
The average monthly number of employees (including directors) during the year was:		
	<b>2004</b>	<b>2003</b>
	<b>Number</b>	<b>Number</b>
Golf, leisure, hotel and restaurant	55	82
Office and administration	10	11
	<u>          </u>	<u>          </u>
	65	93
	<u>          </u>	<u>          </u>
<b>Employment costs</b>		
	<b>£</b>	<b>£</b>
Wages and salaries	1,004,657	973,983
Social security costs	66,869	64,785
	<u>          </u>	<u>          </u>
	1,071,526	1,038,768
	<u>          </u>	<u>          </u>

# **MESSENGER LEISURE LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 30 APRIL 2004***

---

### **19 Control**

The ultimate parent company is Messenger Group Limited, a company incorporated in Great Britain, and the group is under the ultimate control of one of its directors, Mr S J Shah.