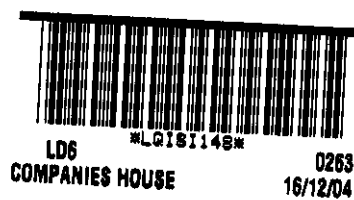


COMPANY NUMBER: 2188184



**LUMINAR LEISURE LIMITED**

FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED

29 FEBRUARY 2004

# **LUMINAR LEISURE LIMITED**

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**LUMINAR LEISURE LIMITED**

**DIRECTORS, OFFICERS AND ADVISORS**

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Company Registration Number

2188184

Registered Office

41 King Street  
Luton  
Bedfordshire  
LU1 2DW

Directors

S Thomas  
A Burns  
S Loades  
T Roberts  
A Burford  
A Marshall  
A McIvor  
B McLoughlin  
G Brown  
A Marks  
H Willits

Secretary

H Willits

Solicitors

CMS Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London  
EC1A 4DD

Auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
EC2V 7QP

# **LUMINAR LEISURE LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004**

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The Directors present their report and the audited financial statements of the Company for the period ended 29 February 2004.

### **Principal activities**

On 4 August 2003, the group to which Luminar Leisure Limited belongs to underwent a statutory restructure. As a consequence, six new companies were incorporated as new subsidiaries of Luminar plc, the ultimate parent company of Luminar Leisure Limited. A large majority of the trade, assets and liabilities belonging to Luminar Leisure Limited were then sold to the new companies in return for consideration in the form of cash and notes.

With effect from the same date, Luminar Leisure Limited became a service provider company for the new subsidiaries in addition to its original principal activity as owner, developer and operator of theme bars, restaurants and discotheques.

### **Results and dividends**

The results for the year are set out in the profit and loss account on page 8. The Directors have made an interim dividend of £47.8m (2003: £8.3m). No further dividend is recommended.

### **Directors and their interests**

The Directors in office during the period are listed below:

S Thomas  
A Burns  
S Loades  
T Roberts  
A Burford  
A Marshall  
A McIvor  
B McLoughlin  
J Aust (resigned 1 July 2003)  
G Brown (appointed 27 November 2003)  
A Marks (appointed 18 June 2004)  
H Willits (appointed 18 June 2004)

On 19 May 2003, Harry Willits was appointed joint Company Secretary of the Company. On 18 June 2004, Steve Parsons resigned as joint Company Secretary of the Company.

None of the Directors had a material interest in any contract or arrangement to which the Company or any Group Company is or was a party to.

The interests of the Directors who are also Directors of the ultimate Parent Company are disclosed in that company's financial statements.

The interests of the other Directors in the Ordinary shares of the ultimate Parent Company, as shown in the register as at 29 February 2004, maintained under the provisions of Section 325 of the Companies Act 1985, are shown below. Unless otherwise stated, the interests are beneficial.

# LUMINAR LEISURE LIMITED

## DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)

### Directors' interests (continued)

#### Shares held

	Ordinary Shares	
	29 February 2004 No.	2 March 2003 No.
S Loades	29,800	34,890
A McIvor	11,632	11,632

#### Share warrants

	29 February 2004 No.	2 March 2003 No.
S Loades	7,483	7,483

Each warrant entitles the holder to subscribe for one Ordinary share of 25p in the ultimate Parent Company at 667.5p.

The warrants are exercisable within the period of 28 days following the publication of the Annual Report of the ultimate Parent Company for each financial year ending on or around 28 February 2002 to 28 February 2009 (inclusive).

#### Share options

##### Northern Leisure PLC 1998 Executive Share Option Scheme

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry date
A McIvor	57,500	-	-	-	57,500	874.00p	16.06.03	15.06.08

##### Luminar PLC 1999 Company Share Option Plan

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry date
S Loades	3,409	-	-	-	3,409	880.00p	04.07.04	03.07.11
T Roberts	3,409	-	-	-	3,409	880.00p	04.07.04	03.07.11
A Marshall	3,409	-	-	-	3,409	880.00p	04.07.04	03.07.11
A McIvor	3,409	-	-	-	3,409	880.00p	04.07.04	03.07.11
G Brown	3,355	-	-	-	3,355	894.00p	09.07.04	08.07.11

**LUMINAR LEISURE LIMITED**

**DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

**Directors' interests (continued)**

*Luminar PLC 1996 Executive Share Option Scheme*

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry date
S Loades	40,000	-	-	-	40,000	805.00p	22.02.02	22.02.09
	75,000	-	-	-	75,000	714.00p	11.07.03	10.07.10
	5,681	-	-	-	5,681	880.00p	04.07.04	03.07.11
	19,666	-	-	-	19,666	419.00p	09.12.05	08.12.12
T Roberts	200,000	-	-	-	200,000	714.00p	11.07.03	10.07.10
	10,636	-	-	-	10,636	880.00p	04.07.04	03.07.11
	31,742	-	-	-	31,742	419.00p	09.12.05	08.12.12
A Marshall	40,000	-	-	-	40,000	835.00p	14.02.03	13.02.10
	50,000	-	-	-	50,000	714.00p	11.07.03	10.07.10
	11,221	-	-	-	11,221	880.00p	04.07.04	03.07.11
	31,647	-	-	-	31,647	419.00p	09.12.05	08.12.12
A McIvor	63,830	-	-	-	63,830	752.00p	16.01.04	15.01.11
	10,636	-	-	-	10,636	880.00p	04.07.04	03.07.11
	29,499	-	-	-	29,499	419.00p	09.12.05	08.12.12
G Brown	1,200	-	-	-	1,200	685.00p	21.08.03	20.08.10
	4,139	-	-	-	4,139	894.00p	09.07.04	08.07.11
	17,900	-	-	-	17,900	419.00p	09.12.05	08.12.12

*Luminar PLC S.A.Y.E. Share Option Scheme E*

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry Date
S Loades	694	-	-	(694)	-	558.00p	04.07.03	03.01.04

*Luminar PLC S.A.Y.E. Share Option Scheme F*

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry Date
G Brown	532	-	-	-	532	728.00p	01.09.04	28.02.05

*Luminar PLC S.A.Y.E. Share Option Scheme G*

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry Date
S Loades	430	-	-	-	430	662.00p	01.09.05	28.02.06
A McIvor	1,435	-	-	-	1,435	662.00p	01.09.05	28.02.06

# LUMINAR LEISURE LIMITED

## DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)

### Directors' interests (continued)

#### *Luminar PLC S.A.Y.E. Share Option Scheme H*

	At 2 March 2003 No.	Granted during period No.	Exercised during period No.	Lapsed during period No.	At 29 February 2004 No.	Exercise price	Date from which exercisable	Expiry Date
S Loades	591	-	-	-	591	469.00p	01.09.06	28.02.06

The mid market price of the ultimate Parent Company's shares at 29 February 2004 was 476p (2003: 307.5p) and for the 52 weeks then ended the range was between 275p and 495p (2003: 935p and 255p). No options lapsed during the period.

### Employees

A policy has been adopted of providing employees with information about the Company. The Company encourages the involvement of employees in the Company's performance through employee and executive share option schemes.

It is the Company's policy when considering applications for vacancies to offer equal opportunity to disabled persons, subject to their abilities in relation to the job for which they apply. Wherever possible, employees becoming disabled will be maintained in employment and given such individual encouragement as the particular disability and the Company's needs permit.

The Company promotes economic awareness within its employees both through a monthly newsletter and an annual management conference and is committed to the process of informing employees of the financial performance of operating units as well as the Company as a whole.

### Payment policy

It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction to ensure that suppliers are aware of these terms and to abide by them. Trade creditors at the year-end amounted to 30 days (2003: 31 days) of average supplies for the 52 weeks to 29 February 2004.

# **LUMINAR LEISURE LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

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### **Statement of Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the 52 weeks ended 29 February 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution for their reappointment will be proposed to the Annual General Meeting.

By order of the Board



G Brown  
Director

30 November 2004



# **LUMINAR LEISURE LIMITED**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUMINAR LEISURE LIMITED**

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We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

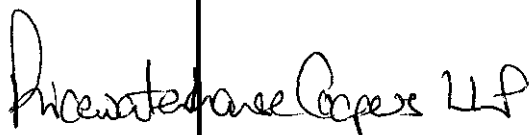
### **Basis of audit opinion**

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 at 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Registered Auditors and Chartered Accountants  
London

30 November 2004

**LUMINAR LEISURE LIMITED****PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004**

<b>Continuing operations</b>	<b>Note</b>	<b>52 weeks ended 29 February 2004 £m</b>	<b>52 weeks ended 2 March 2003 £m</b>
Turnover	2	353.1	385.1
Cost of sales		(75.5)	(72.9)
<b>Gross profit</b>		<b>277.6</b>	<b>312.2</b>
Administrative expenses		(582.3)	(259.6)
<b>Operating (loss) / profit</b>		<b>(304.7)</b>	<b>52.6</b>
Income from investments	4	355.1	-
Profit on disposal of fixed assets	5	0.2	3.9
Net interest	6	(12.8)	(15.1)
<b>Profit on ordinary activities before taxation</b>	2	<b>37.8</b>	<b>41.4</b>
Tax on profit on ordinary activities	8	(7.5)	(22.6)
<b>Profit for the financial period</b>		<b>30.3</b>	<b>18.8</b>
Dividends	9	(47.8)	(8.3)
<b>Retained (loss)/profit for the financial period</b>	18	<b>(17.5)</b>	<b>10.5</b>

**LUMINAR LEISURE LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004**

	<b>Note</b>	<b>52 weeks ended 29 February 2004 £m</b>	<b>52 weeks ended 2 March 2003 £m</b>
Retained (loss)/profit for the financial period		(17.5)	10.5
Unrealised income from investments	4	145.2	-
<b>Total recognised gains relating to the period</b>		<b>127.7</b>	<b>10.5</b>

**LUMINAR LEISURE LIMITED**

**BALANCE SHEET AT 29 FEBRUARY 2004**

	Note	29 February 2004		2 March 2003	
		£m	£m	£m	£m
<b>Fixed assets</b>					
Intangible assets	10		0.1		447.5
Tangible assets	11		43.7		557.8
Investments	12		583.6		16.9
			<u>627.4</u>		<u>1,022.2</u>
<b>Current assets</b>					
Stocks	13	0.8		4.4	
Debtors	14	46.8		22.7	
Cash at bank and in hand		50.6		22.2	
		<u>98.2</u>		<u>49.3</u>	
<b>Creditors - Amounts falling due within one year</b>	15	(438.7)		(895.5)	
<b>Net current liabilities</b>			<u>(340.5)</u>		<u>(846.2)</u>
<b>Total assets less current liabilities</b>			<u>286.9</u>		<u>176.0</u>
<b>Provisions for liabilities and charges</b>	16		(2.6)		(19.4)
<b>Net assets</b>			<u>284.3</u>		<u>156.6</u>
<b>Capital and reserves</b>					
Called up share capital	17		28.5		28.5
Share premium account	18		100.7		100.7
Profit and loss account	18		155.1		27.4
<b>Total equity shareholders' funds</b>	19		<u>284.3</u>		<u>156.6</u>

The financial statements on pages 8 to 23 were approved by the Board of Directors on 30 November 2004 and were signed on its behalf by:

G Brown  
Director

**1 Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principle accounting policies are set out below:

**Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Luminar plc and is included in the consolidated financial statements of Luminar plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of Luminar plc.

**Group accounts**

As a wholly owned subsidiary of a company incorporated in the European Union, the Company is exempt from the preparation of group accounts.

**Turnover**

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts.

**Intangible fixed assets and goodwill**

Trademarks purchased separately from a business are included at cost and amortised over their useful economic lives of 20 years.

Purchased goodwill is capitalised and is amortised on a straight-line basis over its estimated useful economic life of 20 years.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Finance costs of fixed asset additions are capitalised during the period of construction and written off as part of the total cost. No depreciation is charged during the period of construction.

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives.

The periods generally applicable are:

Freehold and long leasehold land and buildings	- fifty years
Short leasehold land and buildings	- over the period of the lease
Other fixtures and fittings, furniture and equipment	- between two years and ten years
Motor vehicles	- three years

Freehold, long leasehold and short leasehold land and buildings include related structural fixtures and fittings.

Any impairment made on tangible fixed assets is determined as the difference between the net present value of income generating units, i.e. discrete trading units, and their carrying value. The net present value is calculated by discounting an estimate of future cash flows by the Company's weighted average cost of capital. If net realisable value is higher than net present value the net realisable value is compared to the carrying value.

**Investments**

Investments are stated at historical cost, less provisions for impairment

**1 Accounting policies (continued)****Stocks**

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

**Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Full provision is made for timing differences and deferred taxation. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates and laws that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

**Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**Contributions to pension funds (Defined contribution scheme)**

The pension costs charged against profits represent the amount of the contributions payable to individual employee pension schemes in respect of the accounting period.

**2 Turnover and profit for the financial period**

Turnover and profit on ordinary activities is attributable to the operation of licensed leisure businesses within the United Kingdom.

The profit on ordinary activities before taxation is stated after charging / (crediting) :

	52 weeks ended 29 February 2004 £m	52 weeks ended 2 March 2003 £m
Amortisation and impairment of goodwill	325.6	24.4
Depreciation and impairment of tangible fixed assets	21.8	34.4
Operating lease rentals of land and buildings	11.7	18.5
Rents receivable and other income	(1.1)	(1.6)

For the 52 weeks ended 29 February 2004 and 2 March 2003, the auditors' remuneration was borne by the ultimate Parent Company.

**LUMINAR LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

**3 Exceptional charge**

	52 weeks ended 29 February 2004 £m	52 weeks ended 2 March 2003 £m
Impairment on goodwill ( <i>see note 10</i> )	316.6	-
Impairment on tangible fixed assets ( <i>see note 11</i> )	4.0	-
Impairment on other assets	2.1	-
	<hr/> 322.7 <hr/>	<hr/> - <hr/>

The exceptional charge reflects the reduction in the market value for leisure assets. The write downs shown above do not indicate a shortening in the estimated normal useful life of the assets employed in the business.

The cause of each element of the exceptional charge analysed above can be linked to the material deterioration in market conditions experienced over the last 18 months.

**4 Income from investments**

	52 weeks ended 29 February 2004 £m	52 weeks ended 2 March 2003 £m
Interim dividend received from:		
Luminar Dancing Limited	282.4	-
Northern Leisure Limited	217.9	-
	<hr/> 500.3 <hr/>	<hr/> - <hr/>
Of which:		
Distributable	355.1	-
Non-distributable	145.2	-
	<hr/> 500.3 <hr/>	<hr/> - <hr/>

**5 Profit on disposal of fixed assets**

	52 weeks ended 29 February 2004 £m	52 weeks ended 2 March 2003 £m
Profit on disposal of tangible fixed assets	0.2	3.9
	<hr/> 0.2 <hr/>	<hr/> 3.9 <hr/>

**LUMINAR LEISURE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

<b>6</b>	<b>Net interest</b>	<b>52 weeks ended</b>	<b>52 weeks ended</b>
		<b>29 February 2004</b>	<b>2 March 2003</b>
		<b>£m</b>	<b>£m</b>
	Interest payable to group undertakings	<b>13.9</b>	<b>15.8</b>
	Capitalised interest	<b>(0.2)</b>	<b>(0.4)</b>
	Interest receivable	<b>(0.9)</b>	<b>(0.3)</b>
		<hr/>	<hr/>
		<b>12.8</b>	<b>15.1</b>
		<hr/>	<hr/>



**LUMINAR LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

**7 Directors and employees**

Staff costs during the period were as follows:

	<b>52 weeks ended 29 February 2004 £m</b>	<b>52 weeks ended 2 March 2003 £m</b>
Wages and salaries	67.6	64.1
Social security costs	4.9	4.5
Other pension costs	0.8	0.8
	<hr/>	<hr/>
	<b>73.3</b>	<b>69.4</b>
	<hr/>	<hr/>

The average number of employees of the Company during the period was:

	<b>52 weeks ended 29 February 2004 Number</b>	<b>52 weeks ended 2 March 2003 Number</b>
Administration centre	334	369
Operations	8,071	7,973
	<hr/>	<hr/>
	<b>8,405</b>	<b>8,342</b>
	<hr/>	<hr/>

Remuneration in respect of Directors was as follows:

	<b>£000</b>	<b>£000</b>
Emoluments	699	678
Pension contributions	88	101
Severance payments	-	27
	<hr/>	<hr/>
	<b>787</b>	<b>806</b>
	<hr/>	<hr/>

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	<b>52 weeks ended 29 February 2004 £000</b>	<b>52 weeks ended 2 March 2003 £000</b>
Emoluments	202	182
Pension contributions to money purchase pension schemes	20	20
	<hr/>	<hr/>

The Company operates a defined contribution executive pension scheme. The assets of the scheme are held separately from those of the Company. During the period, five Directors participated in the defined contribution pension scheme (2003: eleven Directors).

**8 Tax on profit on ordinary activities****(a) Analysis of charge in period**

The taxation charge is based on profits for the period and represents:

	<b>52 weeks ended 29 February 2004</b>		<b>52 weeks ended 2 March 2003</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Current tax</b>				
UK Corporation tax on profits of the period	<b>11.1</b>		19.2	
Adjustments in respect of previous periods	<b>(4.2)</b>		(0.1)	
Total current tax		<b>6.9</b>		19.1
<b>Deferred tax</b>				
Origination and reversal of timing differences:				
Current period	<b>0.6</b>		3.5	
Total deferred tax		<b>0.6</b>		3.5
Tax on profit on ordinary activities		<b>7.5</b>		22.6

**(b) Factors affecting tax charge for period**

The tax assessed for the period is different than the standard rate of corporation tax in the UK. The differences are explained as follows:

	<b>52 weeks ended 29 February 2004</b>	<b>52 weeks ended 2 March 2003</b>
	<b>£m</b>	<b>£m</b>
Profit on ordinary activities before tax	<b>37.8</b>	41.4
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	<b>11.3</b>	12.4
<b>Effects of:</b>		
Goodwill amortisation	<b>97.7</b>	7.4
Expenses not deductible for tax purposes	<b>4.3</b>	0.2
Non-deductible exceptional items	<b>1.8</b>	-
Capital allowances for period in excess of depreciation	<b>2.9</b>	-
Utilisation of tax losses	<b>(0.5)</b>	(0.1)
UK Dividends	<b>(106.4)</b>	-
Rollover relief on profit on disposal of property	<b>-</b>	(0.7)
Adjustments to tax charge in respect of previous period	<b>(4.2)</b>	(0.1)
Current tax charge for the period	<b>6.9</b>	19.1

**LUMINAR LEISURE LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

<b>9</b>	<b>Dividends</b>	<b>52 weeks ended</b>		<b>52 weeks ended</b>
		<b>29 February 2004</b>		<b>2 March 2003</b>
		<b>£m</b>		<b>£m</b>
	Ordinary shares - interim dividend	47.8		8.3
		<hr/>		<hr/>
		47.8		8.3
		<hr/>		<hr/>
<b>10</b>	<b>Intangible fixed assets</b>			
		<b>Goodwill</b>	<b>Trademarks</b>	<b>Total</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
	<b>Cost</b>			
	At 2 March 2003	488.9	0.1	489.0
	Disposals	(82.2)	-	(82.2)
	Transfer out to other group companies on 4 August 2003	(406.7)	-	(406.7)
		<hr/>		
	<b>At 29 February 2004</b>	-	0.1	0.1
		<hr/>		
	<b>Amortisation</b>			
	At 2 March 2003	41.5	-	41.5
	Charge	9.0	-	9.0
	Impairment	316.6	-	316.6
	Disposals	(7.2)	-	(7.2)
	Transfer out to other group companies on 4 August 2003	(359.9)	-	(359.9)
		<hr/>		
	<b>At 29 February 2004</b>	-	-	-
		<hr/>		
	<b>Net book amount</b>			
	<b>At 29 February 2004</b>	-	0.1	0.1
		<hr/>		
	<b>At 2 March 2003</b>	447.4	0.1	447.5
		<hr/>		

Goodwill has been amortised over 20 years being the Directors' estimate of its useful economic life based on the assessment of the industry in which the Company operates.

On 8 April 2003, the value assigned to the Chicago Rock Café, Jumpin' Jaks and Liquid trademarks included within the goodwill brought forward at the beginning of the year was disposed to Luminar Brands Limited, a company within the same group as Luminar Leisure Limited for cash consideration of £75million.

On 4 August 2003, the group to which Luminar Leisure Limited is a member of underwent a statutory restructure. As a consequence, six new companies were set up to which most of the trade, assets and liabilities of Luminar Leisure Limited were disposed to. As part of the restructure, an impairment review of the goodwill being carried on Luminar Leisure Limited's balance sheet was performed. After determining the value of goodwill attached the trade, assets and liabilities sold to the new companies, the amount of goodwill left behind in Luminar Leisure Limited was deemed to have no value. The remaining goodwill was therefore impaired to £nil.

**LUMINAR LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

**11 Tangible fixed assets**

	Freehold land and buildings £m	Long leasehold land and buildings £m	Short leasehold land and buildings £m	Fixtures fittings furniture and equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>						
At 2 March 2003	164.5	18.7	145.3	316.8	3.1	648.4
Reclassification	17.0	11.0	(16.4)	(12.1)	0.5	-
Transfers out on 4 August 2003 to:						
- Luminar Dancing Scotland Limited	(14.3)	(0.3)	(10.8)	(21.2)	-	(46.6)
- Luminar Midlands & West Limited	(34.9)	(9.4)	(45.4)	(61.1)	-	(150.8)
- Luminar North Limited	(81.6)	(10.3)	(27.5)	(57.1)	-	(176.5)
- Candu Entertainment Limited	(4.2)	-	-	(1.4)	-	(5.6)
- Luminar No 1 Limited	(32.5)	(5.7)	(28.9)	(36.1)	-	(103.2)
- Luminar South & East Limited	(13.4)	(3.0)	(14.6)	(103.3)	-	(134.3)
Additions	1.2	-	0.4	33.7	0.8	36.1
Disposals	(0.6)	-	(0.2)	(2.7)	(1.4)	(4.9)
<b>At 29 February 2004</b>	<b>1.2</b>	<b>1.0</b>	<b>1.9</b>	<b>55.5</b>	<b>3.0</b>	<b>62.6</b>
<b>Depreciation</b>						
At 2 March 2003	2.5	1.4	16.9	68.5	1.3	90.6
Reclassification	1.7	0.7	1.6	(4.2)	0.2	-
Transfers out on 4 August 2003 to:						
- Luminar Dancing Scotland Limited	(0.3)	-	(1.7)	(2.8)	-	(4.8)
- Luminar Midlands & West Limited	(1.0)	(0.9)	(8.4)	(15.9)	-	(26.2)
- Luminar North Limited	(2.2)	(0.8)	(4.8)	(13.8)	-	(21.6)
- Candu Entertainment Limited	(0.1)	-	-	(0.2)	-	(0.3)
- Luminar No 1 Limited	(0.8)	(0.3)	(4.0)	(10.4)	-	(15.5)
- Luminar South & East Limited	(0.3)	(0.1)	(1.9)	(18.1)	-	(20.4)
Charge	0.8	0.3	3.3	16.3	1.1	21.8
Disposals	(0.3)	-	(0.1)	(3.2)	(1.1)	(4.7)
<b>At 29 February 2004</b>	<b>-</b>	<b>0.3</b>	<b>0.9</b>	<b>16.2</b>	<b>1.5</b>	<b>18.9</b>
<b>Net book amount</b>						
<b>At 29 February 2004</b>	<b>1.2</b>	<b>0.7</b>	<b>1.0</b>	<b>39.3</b>	<b>1.5</b>	<b>43.7</b>
<b>At 2 March 2003</b>	<b>162.0</b>	<b>17.3</b>	<b>128.4</b>	<b>248.3</b>	<b>1.8</b>	<b>557.8</b>

On 12 November 2003, an impairment review was carried out upon which a write down of £3,964,000 was made against tangible fixed assets. This write down is included within the depreciation charge in the tangible fixed assets note above of which, £53,000 was made against freehold land and buildings, £27,000 was made against long leasehold land and buildings, £372,000 was made against short leasehold land and buildings with the remaining £3,512,000 being made against fixtures and fittings, furniture and equipment.

**LUMINAR LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

**12 Investments in group undertakings**

**Group undertakings  
Shares  
£m**

At 2 March 2003  
Additions

16.9  
566.7

**At 29 February 2004**

**583.6**

During the year, the Company acquired 566,762,552 non-voting ordinary shares of £1 each in Luminar Entertainment Finance Ltd, a company within the same group of companies to which Luminar Leisure Limited belongs.

The Company's principal subsidiary undertakings and other group investments at the year-end are listed below in the table together with details of their businesses. The share capital consists of ordinary shares, all of which are wholly owned except for the 1 voting ordinary £1 share in Luminar Entertainment Finance Ltd which is owned by Luminar plc, the ultimate Parent Company.

<b>Company Name</b>	<b>Country of incorporation</b>	<b>Class of share capital</b>	<b>Issued Share Capital</b>	<b>Nature of Business</b>
Luminar (Jersey) Limited	Jersey	Ordinary	£2	Investment holding in companies owning licensed premises
Luminar Dancing Limited	England & Wales	Ordinary	£1.1m	Investment holding
Northern Leisure Limited	England & Wales	Ordinary	£3.7m	Investment holding
Fife Group PLC	Scotland	Ordinary	£5.2m	Investment holding
Toolfirst Limited	England & Wales	Ordinary	£3.7m	Investment holding
Life Limited	England & Wales	Ordinary	£3.3m	Licensed premises

The share capital of Life Limited is directly owned by Toolfirst Limited.

**13 Stocks**

**29 February 2004  
£m**

**2 March 2003  
£m**

Goods for resale

**0.8**

**4.4**

**LUMINAR LEISURE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

14	Debtors	29 February 2004	2 March 2003
		£m	£m
	Trade debtors	1.7	3.6
	Amounts owed by group undertakings	42.9	14.4
	Prepayments and accrued income	2.1	4.6
	Other debtors	0.1	0.1
		<hr/>	<hr/>
		46.8	22.7
		<hr/>	<hr/>
15	Creditors - Amounts falling due within one year	29 February 2004	2 March 2003
		£m	£m
	Trade creditors	7.6	8.0
	Amounts due to group undertakings	404.7	843.8
	Corporation tax	3.7	9.8
	Other taxes and social security	6.5	6.4
	Accruals and deferred income	16.2	27.5
		<hr/>	<hr/>
		438.7	895.5
		<hr/>	<hr/>

# LUMINAR LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)

## 16 Provisions for liabilities and charges

### Deferred tax

	£m
Provision at 2 March 2003	19.4
Deferred tax charge in profit and loss account for period	0.6
Transfers out on 4 August 2003 to:	
- Luminar Dancing Scotland Limited	(1.4)
- Luminar North Limited	(3.8)
- Luminar Midlands & West Limited	(4.0)
- Candu Entertainment Limited	(0.1)
- Luminar No 1 Limited	(2.2)
- Luminar South & East Limited	(5.9)
<b>Provision at 29 February 2004</b>	<b>2.6</b>

Deferred taxation provided for in the accounts represents provision at 30% on accelerated capital allowances.

## 17 Share capital

	29 February 2004		2 March 2003	
	Number	£m	Number	£m
<b>Authorised:</b>				
Ordinary shares of 10p each	288,500,000	28.8	288,500,000	28.8
Share warrants of 1p each	15,000,000	0.2	15,000,000	0.2
		<b>29.0</b>		<b>29.0</b>
<b>Allotted, called up, issued and fully paid:</b>				
Ordinary shares of 10p each	283,502,782	28.4	283,502,782	28.4
Share warrants of 1p each	13,309,920	0.1	13,309,920	0.1
		<b>28.5</b>		<b>28.5</b>

**LUMINAR LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)**

<b>18</b>	<b>Reserves</b>	<b>Share premium account £m</b>	<b>Profit and loss account £m</b>
	At 2 March 2003	100.7	27.4
	Retained loss for the period	-	(17.5)
	Income from investments (non-distributable)	-	145.2
		<hr/>	<hr/>
	<b>At 29 February 2004</b>	<b>100.7</b>	<b>155.1</b>
		<hr/>	<hr/>
	Distributable	-	9.9
	Non-distributable	100.7	145.2
		<hr/>	<hr/>
		<b>100.7</b>	<b>155.1</b>
		<hr/>	<hr/>
<b>19</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>29 February 2004 £m</b>	<b>2 March 2003 £m</b>
	Profit for the period	175.5	18.8
	Dividends	(47.8)	(8.3)
		<hr/>	<hr/>
	Net increase in shareholders' funds	127.7	10.5
	Opening shareholders' funds	156.6	146.1
		<hr/>	<hr/>
	Closing shareholders' funds	284.3	156.6
		<hr/>	<hr/>
<b>20</b>	<b>Contingent liabilities</b>		
	The Company had no contingent liabilities at 29 February 2004 or 2 March 2003.		



**LUMINAR LEISURE LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 FEBRUARY 2004 (CONTINUED)****21 Leasing commitments**

At 29 February 2004 the Company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and Buildings 29 February 2004 £m</b>	<b>Land and Buildings 2 March 2003 £m</b>
Between one and five years	<b>0.1</b>	<b>1.1</b>
Expiring in over five years	<b>2.3</b>	<b>19.8</b>
	<hr/> <b>2.4</b> <hr/>	<hr/> <b>20.9</b> <hr/>

**22 Ultimate parent undertaking**

The immediate and ultimate parent undertaking is Luminar plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Luminar plc financial statements can be obtained from the Company Secretary at 41 King Street, Luton, Bedfordshire, LU1 2DW