

COMPANY NUMBER: 2188184



**LUMINAR LEISURE LIMITED**  
**(formerly Northern Leisure PLC)**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

25 FEBRUARY 2001

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

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Company Registration Number	2188184
Registered Office	41 King Street Luton Bedfordshire LU1 2DW
Directors	SC Thomas AR Burns TN Ballantyne A McIvor B McLoughlin
Secretary	A Stride
Bankers	Bank of Scotland Edinburgh EH1 1YZ
Solicitors	CMS Cameron McKenna Mitre House 160 Aldersgate Street London EC1A 4DD
Auditors	Grant Thornton Registered Auditors Chartered Accountants Milton Keynes

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

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# **LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

## **DIRECTORS' REPORT**

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The Directors present their report together with financial statements for the period ended 25 February 2001.

### **Principal Activities**

The principal activity of the company during the period was to act as a holding company for its wholly owned subsidiary investments whose principal activities are the operation of licensed leisure businesses in the United Kingdom.

On 25 January 2001, the company re-registered as a limited company and so consequently changed its name from Northern Leisure PLC to Northern Leisure Limited.

### **Business Review**

During the period, the company did not trade but continued to act as a holding company for its investments. Dividend income received from its investments has been used to make dividend payments.

During the period, a special dividend of £8,192,000 was paid. Further details of this special dividend are given in note 4 to the financial statements.

The Directors have made an interim dividend of £3,623,000 (2000: £4,096,000). No further dividend is recommended.

### **Directors**

The Directors in office during the period are listed below:

SC Thomas - (appointed 27 July 2000)  
AR Burns - (appointed 27 July 2000)  
TN Ballantyne  
A McIvor  
B McLoughlin  
DJ Hanson - (resigned 11 July 2000)  
JH Pattison - (resigned 11 July 2000)  
P McEnhill - (resigned 11 July 2000)  
AF Mills - (resigned 11 July 2000)  
MA Streets - (resigned 16 October 2000)  
MJ Arnold - (resigned 12 January 2001)  
RJ Wickham - (resigned 7 February 2001)  
P Marks - (resigned 6 April 2001)  
CH Preston - (resigned 30 April 2001)

### **Directors' Interests**

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 and their families in the Ordinary shares of the ultimate parent company at 25 February 2001 (or the date of their appointment to the Board if later) and 2 July 2000, are disclosed in note 12 to the financial statements.

**Events Since the Balance Sheet Date**

On 30 June 2001, the group of companies to which this company is a part, underwent a reorganisation. As a consequence, the trade, assets and liabilities belonging to company number 2182712 (then called Luminar Leisure Limited) and company number 2197132 (then called Luminar Dancing Limited) were transferred to this company (company number 2188184), then called Northern Leisure Limited (having previously changed its name from Northern Leisure PLC on 25 January 2001). Subsequent to this transfer, the name of company number 2182712 was changed from Luminar Leisure Limited to Northern Leisure Limited and the name of company 2188184 was changed from Northern Leisure Limited to Luminar Leisure Limited. The change of names became effective from 16 July 2001.

**Directors' responsibilities for the financial statements**

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 the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:


- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (iv) 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 maintaining proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

On behalf of the Board



AR Burns  
Director

18 December 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

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We have audited the financial statements on pages 4 to 13, which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating 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 25 February 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
Central Milton Keynes**

20 December 2001

**Basis of preparation**

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

The company is exempt from preparing consolidated financial statements on the grounds that it is a wholly owned subsidiary. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**Investments**

Investments are stated at cost less amounts written off.

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

	<b>Note</b>	<b>Period ended 25 February 2001 £000</b>	<b>Year ended 2 July 2000 £000</b>
Administrative expenses		<b>(1,072)</b>	-
Income from investments	1	<b>11,815</b>	5,000
Other income	2	<b>1,072</b>	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2	<b>11,815</b>	5,000
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
<b>Profit for the financial period</b>		<b>11,815</b>	5,000
Dividends	4	<b>(11,815)</b>	(4,096)
		<hr/>	<hr/>
<b>Profit retained, transferred to reserves</b>		<b>-</b>	904
		<hr/>	<hr/>

There were no recognised gains or losses other than the profit for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**BALANCE SHEET AT 25 FEBRUARY 2001**

	Note	Period ended 25 February 2001		Year ended 2 July 2000	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	5		129,020		129,020
<b>Current assets</b>					
Debtors	6	2,765		13	
<b>Creditors: amounts falling due within one year</b>	7	(2,752)		-	
<b>Net current assets</b>			13		13
			129,033		129,033
<b>Capital and reserves</b>					
Called up share capital	8		18,206		18,206
Share premium account	9		100,796		100,796
Profit and loss account	9		10,031		10,031
<b>Shareholders' funds – equity</b>	10		129,033		129,033

The financial statements were approved by the Board of Directors on 18 December 2001.



AR Burns  
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

**1 Income from Investments**

	<b>Period ended 25 February 2001 £000</b>	<b>Year ended 2 July 2000 £000</b>
Dividends received from investment in Luminar Dancing Limited ( <i>see note 5</i> )	<b>11,815</b>	<b>5,000</b>

**2 Profit on ordinary activities before taxation**

For the period ended 25 February 2001, the auditors' remuneration was borne by another group company, as was the case for the previous period.

Also during the period, the Company charged a management fee of £1,072,469 (2000: £ NIL) to its subsidiary called Luminar Dancing Limited (formerly Luminar Dancing PLC) in order to cover the cost of payments made to retiring Directors of this Company.

**3 Directors and employees**

None of the Directors, who were still Directors at 25 February 2001, received any emoluments from the company during the period, as was the case for the previous period. £968,250 was paid out in total to resigning Directors during the period (2000: £NIL). The company had no employees at any time during the period.

**4 Dividends**

	<b>Period ended 25 February 2001 £000</b>	<b>Year ended 2 July 2000 £000</b>
Ordinary shares - interim dividend	<b>3,623</b>	<b>4,096</b>
Special dividend paid *	<b>8,192</b>	<b>-</b>
	<b>11,815</b>	<b>4,096</b>

- \* On 11 July 2000, Luminar Leisure Limited (formerly Northern Leisure PLC) was acquired by Luminar PLC. At the time of this acquisition, a special dividend was paid to the shareholders in the company.

**5 Investments**

	<b>Subsidiary undertakings</b>		
	<b>Shares £000</b>	<b>Loans £000</b>	<b>Total £000</b>
At 3 July 2000 and 25 February 2001	5,222	123,798	129,020

The company's principal subsidiary undertakings 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.

<b>Company name</b>	<b>Company number</b>	<b>Nature of business</b>	<b>Country of incorporation</b>
Luminar Dancing Limited (formerly Northern Leisure Inc. PLC)	2197132	Leisure operator	England & Wales
Fife Group PLC	SC8553	Investment holding	Scotland

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

<b>6</b>	<b>Debtors</b>	<b>25 February 2001</b>		<b>2 July 2000</b>	
		<b>£000</b>		<b>£000</b>	
	Prepayments and accrued income	13		13	
	Amounts due from subsidiary undertakings	2,752		-	
		<hr/>		<hr/>	
		2,765		13	
		<hr/>		<hr/>	
<b>7</b>	<b>Creditors: amounts falling due within one year</b>	<b>25 February 2001</b>		<b>2 July 2000</b>	
		<b>£000</b>		<b>£000</b>	
	Amounts due to parent undertakings	2,752		-	
		<hr/>		<hr/>	
		2,752		-	
		<hr/>		<hr/>	
<b>8</b>	<b>Share capital</b>	<b>25 February 2001</b>		<b>2 July 2000</b>	
		<b>Number</b>	<b>£000</b>	<b>Number</b>	<b>£000</b>
	<b>Authorised:</b>				
	Ordinary shares of 10p each	1,111,365,000	111,137	1,111,365,000	111,137
	Share warrants of 0.01p each	15,000,000	2	15,000,000	2
		<hr/>		<hr/>	
		111,139		111,139	
		<hr/>		<hr/>	
	<b>Allotted, issued and fully paid:</b>				
	Ordinary shares of 10p each	182,054,817	18,205	182,054,817	18,205
	Share warrants of 0.01p each	13,335,554	1	13,335,554	1
		<hr/>		<hr/>	
		18,206		18,206	
		<hr/>		<hr/>	
<b>9</b>	<b>Share premium account and reserves</b>	<b>Share Premium Account</b>		<b>Profit and Loss Account</b>	
		<b>£000</b>		<b>£000</b>	
	B/fwd as at 3 July and c/fwd as at 25 February 2001	100,796		10,031	
		<hr/>		<hr/>	

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 25 FEBRUARY 2001

**10 Reconciliation of movements in shareholders' funds**

	25 February 2001 £000	2 July 2000 £000
Profit for the financial period	11,815	5,000
Dividend	(11,815)	(4,096)
Retained profit	-	904
New share capital issued (net of costs)	-	59,513
Net increase in shareholders' funds	-	60,417
Shareholders' funds at the beginning of the period	129,033	68,616
Shareholders' funds at the end of the period	129,033	129,033

**11 Contingent liabilities**

There were no contingent liabilities at 25 February 2001 or 2 July 2000.

**12 Directors Interests**

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 25 February 2001, maintained under the provisions of Section 325 of the Companies Act 1985, are shown below. Unless otherwise stated, the interests are beneficial.

Following the acquisition of this Company by Luminar PLC on 11 July 2000, any direct interest in the shares of this Company held by the Directors were converted to interests in the shares of Luminar PLC (now the ultimate Parent Company) as follows:

- Ordinary shares already held by the Directors in this Company were converted to Ordinary shares in Luminar PLC on the basis of one Ordinary share in Luminar PLC for four Ordinary shares already held in this Company;
- Each warrant already held by the Directors was converted in to 0.07897 of an Ordinary share in Luminar PLC;
- Any share options already held by the Directors were either cash cancelled (i.e. they received cash in return for the cancellation of their share options) or converted in to options to acquire Ordinary shares in Luminar PLC. The basis of conversion was one share option to acquire an Ordinary share in Luminar PLC for every four share options already held to acquire Ordinary shares in this Company.

Further details of these conversions are shown below.

**12 Directors Interests (continued)****(i) Direct Interest in the Ordinary shares of Luminar Leisure Limited (formerly Northern Leisure PLC)**

The direct interest in the shares of this Company for each of the Directors up to 11 July 2000 was as follows:

**Shares Held**

	<b>Ordinary Shares</b>	
	<b>11 July 2000</b>	<b>2 July 2000</b>
	<b>No.</b>	<b>No.</b>
TN Ballantyne	-	41,559
A McIvor	-	102,713
B McLoughlin	-	46,583
P Marks	-	51,088
CH Preston	-	782,858

Since Luminar PLC acquired all of the share capital of this Company on 11 July 2000, none of the Directors held any of the shares in this Company on this date and forward.

**Share Options*****Northern Leisure PLC 1992 Share Option Scheme***

	<b>At 2 July 2000</b>	<b>Granted or exercised during period</b>	<b>C/fwd for conversion at 11 July 2000</b>	<b>Cash cancelled</b>	<b>Exercise price</b>	<b>Date from which exercisable</b>	<b>Expiry date</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No. (*)</b>			
TN Ballantyne	60,000	-	-	60,000	77.00p	11.10.98	10.10.00
	60,000	-	-	60,000	156.25p	20.10.99	19.10.01
A McIvor	45,000	-	-	45,000	77.00p	11.10.98	10.10.00
	60,000	-	-	60,000	156.25p	20.10.99	19.10.01
B McLoughlin	45,000	-	-	45,000	77.00p	11.10.98	10.10.00
	60,000	-	-	60,000	156.25p	20.10.99	19.10.01
CH Preston	380,000	-	-	380,000	77.00p	11.10.98	10.10.00
	180,000	-	-	180,000	156.25p	20.10.99	19.10.01

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

**12 (i) Directors Interests (continued)**

*Northern Leisure PLC 1998 Executive Share Option Scheme*

	At 2 July 2000	Granted or exercised during period	C/fwd for conversion at 11 July 2000	Cash cancelled	Exercise price	Date from which exercisable	Expiry date
	No.	No.	No.	No. (*)			
<b>Basic Options</b>							
TN Ballantyne	84,337	-	-	84,337	83.00p	14.10.01	13.10.03
	120,000	-	-	120,000	181.00p	09.03.03	09.03.05
A McIvor	120,482	-	-	120,482	83.00p	14.10.01	13.10.03
B McLoughlin	120,482	-	-	120,482	83.00p	14.10.01	13.10.03
P Marks	120,482	-	-	120,482	83.00p	14.10.01	13.10.03
CH Preston	301,205	-	-	301,205	83.00p	14.10.01	13.10.03
<b>Super Options</b>							
TN Ballantyne	230,000	-	230,000	-	218.25p	12.06.03	11.06.08
	250,000	-	-	250,000	170.00p	01.12.04	01.12.09
	160,000	-	-	160,000	181.00p	09.03.05	09.03.10
A McIvor	230,000	-	230,000	-	218.25p	12.06.03	11.06.08
	602,410	-	-	602,410	83.00p	14.10.03	13.10.08
B McLoughlin	230,000	-	230,000	-	218.25p	12.06.03	11.06.08
	602,410	-	-	602,410	83.00p	14.10.03	13.10.08
P Marks	230,000	-	230,000	-	218.25p	12.06.03	11.06.08
	602,410	-	-	602,410	83.00p	14.10.03	13.10.08
CH Preston	640,000	-	640,000	-	218.25p	12.06.03	11.06.08

- \* Cash cancelled means they received cash in return for the cancellation of their options. The share options were all cancelled on 25 August 2000.

The sum paid per share was equal to the difference between the exercise price payable per share in this Company and £1.951, less any income tax deducted at source under the PAYE system. The price of £1.951 equated to the value of one Ordinary share in this Company by reference to one quarter of the price of an Ordinary share in Luminar PLC on the date that the Ordinary Offer became unconditional (being £1.906) plus the Special Dividend of 4.5p net per Ordinary share payable to the Luminar Leisure Limited (formerly Northern Leisure PLC) shareholders and option holders who accepted the Offer for their shares.

**LUMINAR LEISURE LIMITED (formerly Northern Leisure PLC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 25 FEBRUARY 2001**

**12 (i) Directors Interests (continued)**

**Share Warrants**

	<b>11 July 2000 No.</b>	<b>2 July 2000 No.</b>
TN Ballantyne	-	3,259
A McIvor	-	11,951
B McLoughlin	-	7,600
P Marks	-	5,608
CH Preston	-	140,507

Each warrant entitled the holder to subscribe for one Ordinary share of 10p in Luminar Leisure Limited (formerly Northern Leisure PLC) at 180p per share at any point within seven years from the date of issue, being the 4 July 1999. The share warrants did not rank for dividends and had no voting rights except in the event of varying the rights / privileges of the share warrants or winding up of the company. On winding up of the company, the holders of the share warrants were entitled to be paid out of the available assets of the company, a sum equal to the nominal capital paid thereon, subject to any payment being made to the holders of the Ordinary shares.

On 11 July 2000, all the share warrants were converted to Ordinary shares held in Luminar PLC on the basis of 0.07987 of an Ordinary share in Luminar PLC for each warrant held.

**(ii) Interest in the Ordinary shares of Luminar PLC (with effect from 11 July 2000)**

**Shares Held**

	<b>Ordinary Shares</b>	
	<b>25 February 2001 No.</b>	<b>11 July 2000 No. (**)</b>
TN Ballantyne	10,649	10,649
A McIvor	27,563	26,632
B McLoughlin	15,049	12,252
P Marks	14,897	13,220
CH Preston	50,000	206,934

**\*\* As acquired upon conversion on the following basis:**

one Ordinary share in Luminar PLC for four Ordinary shares in Luminar Leisure Limited (formerly Northern Leisure PLC) already held; plus

0.07987 of an Ordinary share in Luminar PLC for each convertible share (warrant) held in Luminar Leisure Limited (formerly Northern Leisure PLC).

## 12 (ii) Directors Interests (continued)

## Share Options

*Northern Leisure PLC 1998 Executive Share Option Scheme*

	B/fwd at 11 July 2000 No. (***)	Granted during period No.	Exercised during period No.	At 25 February 2001 No.	Exercise price	Date from which exercisable	Expiry date
TN Ballantyne	57,500	-	-	57,500	874.00p	16.06.03	15.06.08
A McIvor	57,500	-	-	57,500	874.00p	16.06.03	15.06.08
B McLoughlin	57,500	-	-	57,500	874.00p	16.06.03	15.06.08
P Marks	57,500	-	-	57,500	874.00p	16.06.03	15.06.08
CH Preston	160,000	-	-	160,000	874.00p	16.06.03	15.06.08

\*\*\* Represents the conversion of share options to acquire shares in this Company that were not cash cancelled.

The conversion rate applied was one share option to acquire an Ordinary share in Luminar PLC for four share options to acquire an Ordinary share in this Company already held.

*Luminar PLC 1996 Executive Share Option Scheme*

	At 11 July 2000 No.	Granted during period No.	Exercised during period No.	At 25 February 2001 No.	Exercise price	Date from which exercisable	Expiry date
TN Ballantyne	-	47,872	-	47,872	752.00p	16.01.04	15.01.11
A McIvor	-	63,830	-	63,830	752.00p	16.01.04	15.01.11
B McLoughlin	-	63,830	-	63,830	752.00p	16.01.04	15.01.11

The market price of the ultimate Parent Company's shares at 25 February 2001 was 828p. During the period, the highest market price of the ultimate Parent Company's shares was 927p and the lowest was 615p. No options lapsed during the period.

## 13 Ultimate parent undertaking and controlling related party

The ultimate parent undertaking and the controlling related party of this Company is its parent undertaking, Luminar PLC, which is registered in England and Wales.

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

Group accounts can be obtained from the parent company at 41 King Street, Luton, Bedfordshire, LU1 2DW.

As a wholly owned subsidiary the Company is exempt from the requirements of Financial Reporting Standard 8 to disclose transactions with other members of the group headed by Luminar PLC.