

LeisureLine Europe Plc
Financial statements
For the period 11th September 1991
to
30th September 1992

Company No 2644647



HOUSE

LeisureLine Europe Plc
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For the period
11th September 1991
to
30th September 1992.

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LEISURELINE EUROPE PLC

Directors Report

For The Period 11th September 1991 - 30th September 1992

DIRECTORS:

R.N. Coppack
S.C. Kantaria
C.D. Owen

SECRETARY:

Mackrell Turner Garrett

REGISTERED OFFICE:

Apex House, London Road, Bracknell, Berkshire.

The directors present their annual report, together with the audited financial statements of the company for the period 11th September 1991 to 30th September 1992.

RESULTS AND DIVIDENDS

The results are for the period ended 30th September 1992 are set out in the profit and loss account on page 5.

In view of the loss incurred, the payment of a dividend is not appropriate.

REVIEW OF BUSINESS

LeisureLine Europe P.L.C. was incorporated in September 1991 in order to create and develop a company who would excel in the provision of public telephone information services.

Since that time the company has had a successful and solid establishment period during which premises have been located and adapted, computer and telecommunications equipment designed and installed, staff recruited and trained, databases build and maintained and administrative systems implemented.

This period of establishment is reflected in the accounts which show the level of investment in the company's infrastructure. The losses are in accordance with the directors projections for a period when the only budgeted and actual trading income was premium rate telephone revenue derived from test-marketing campaigns.

Following the first year end, the company launched a variety of mainstream services in the last quarter of 1992, and now successfully represent 9 local authorities and a number of major media groups throughout the country.

LEISURELINE EUROPE PLC
Directors Report
For The Period 11th September 1991 - 30th September 1992

INFORM

Avon County Council have been appointed official sales agents for the Inform service and now exclusively represent the company throughout the UK.

The company can now be considered as the leading supplier of live, multi-lingual telephone information services to local authorities in the UK. This marketing is conservatively estimated at being worth 125 million pounds sterling per annum.

The company has been shortlisted by the Cabinet Office for the supply of language services to Charterline - Central Governments' official telephone information service.

The directors are not aware of any other companies currently offering similar services to those of Inform.

LEISURELINE

Following the development period, the first tranche of promotion and selling contracts have been awarded to nine major media groups, with a combined weekly circulation of 16 million, and a sales force in excess of 500. The second tranche is now being negotiated.

The UK Leisure market is worth an estimated £20 million per annum in LeisureLine subscriptions.

With the exception of the more general 'Talking Pages' service, the directors are not aware of any other companies offering similar services to those of LeisureLine.

Many new contracts are currently being negotiated with major public companies, the private sector, and the media industry.

Having established a solid base and market awareness for the companys' services, the directors are confident that rapid growth and profitability will now be achieved.

As per the original shareholding structure plans, the fully paid and issued share capital has been increased from the original £100,000 to £320,000 with £70,000 of the loan monies shown in the accounts being converted into share capital and then a further pre-arranged issue of new shares which brought in an additional £150,000 to the company.

The shareholders have confirmed that substantial further capital will be made available to facilitate the continued expansion and development of the company.

LEISURELINE EUROPE PLC
Directors Report
For The Period 11th September 1991 - 30th September 1992

DIRECTORS AND THEIR INTERESTS

The following were the beneficial interests of the directors in the issued ordinary share capital of the company at 30th September 1992.

R.N. Coppack	48,000 Shares
S.C. Kantaria	----
C.D. Owen	----

FIXED ASSETS.

The movement in fixed assets during the year are set out in notes 7 and 8 on page 10 of the accounts.

AUDITORS.

In accordance with the provision of section 384 of the Companies Act 1985, Messrs Morison Stoneham have indicated their willingness to be re-appointed as auditors of the company.

By order of the Board:

C. D. OWEN

Secretary:

P.N. COPPACH

LEISURELINE EUROPE PLC
Auditors Report to Members
For The Period 11th September 1991 - 30th September 1992

We have audited the financial statements on pages 5 to 12 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30th September 1992 and of its loss and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to note 1.6 which refers to the basis on which the accounts have been prepared. Our opinion is supported by a subsequent review of the company's state of affairs which did not constitute an audit.

Prudential Buildings
Epsom Road,
Guildford,
Surrey

30 April 1993

Morton Sturges
Chartered Accountants
Registered Auditor

LEISURELINE EUROPE PLC
Profit & Loss Account
For the period 11th September 1991 - 30th September 1992

	Notes	1992 £
Turnover	2	3,568
Administrative Expenses		<u>268,280</u>
Operating (Loss)	3	(264,712)
Interest Receivable		1,756
Interest Payable	5	3,592
(Loss) on Ordinary Activities before Taxation		<u>(266,548)</u>
Taxation	6	----
(Loss) for the Year		<u>(266,548)</u>

The notes on pages 9 - 12 to form part of these accounts.

LEISURELINE EUROPE PLC

Balance Sheet

For the period 11th September 1991 - 30th September 1992

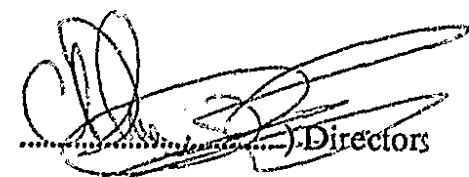
	Notes	1992 £
FIXED ASSETS		
Intangible assets	7	10,844
Tangible assets	8	<u>7,122</u>
		<u>17,966</u>
CURRENT ASSETS		
Debtors	9	7,819
CREDITORS - amounts falling due within one year	10	<u>(192,333)</u>
NET CURRENT (LIABILITIES)		<u>(184,514)</u>
ASSETS LESS CURRENT LIABILITIES		<u>(166,548)</u>

Financed by:

CAPITAL & RESERVES

Called up share capital	11	100,000
Profit and loss account		<u>(266,548)</u>
		<u>(166,548)</u>

Approved by the Directors on 30.4.93 and signed on behalf of the Board by:


.....Directors
C.D. OWEN R.W. COPPACK

The notes on pages 9 - 12 to form part of these accounts.

LEISURELINE EUROPE PLC
Cash Flow Statements
For the period 11th September 1991 to 30th September 1992.

	1992
	£
Net cash outflow from operating activities	(161,012)
Returns on investment and servicing of finance:	
Interest paid	(3,592)
Interest received	<u>1,756</u>
Net cash outflow from returns on investments and servicing of finance.	(1,836)
Investing activities:	
Payment to acquire intangible & tangible fixed assets	<u>(20,877)</u>
Net cash outflow from investing activities	<u>(20,877)</u>
Net cash (outflow) before financing	<u>(183,725)</u>
Financing:	
Proceeds of loan	80,000
Issue of shares	100,000
Net cash inflow from financing	(180,000)
Decrease in cash and cash equivalents	(3,725)
	<u>(183,725)</u>

LEISURELINE EUROPE PLC
Cash Flow Statements continued/....
For the period 11th September 1991 to 30th September 1992.

1. Reconciliation of operating profit to net cash inflow for operating activities.

	1992
	£
Operating Loss	(264,712)
Depreciation	2,911
(Increase) in operating debtors	(7,819)
Increase in operating creditors & accruals	<u>108,600</u>
	103,700
Net cash outflow from operating activities	<u>(161,012)</u>

2. Analysis of changes in cash and cash equivalents

Balance at 11th September 1991	-
Net cash (outflow)	<u>(3,725)</u>
Balance at end of period	<u>(3,725)</u>

**3. Analysis of the balances of cash and cash equivalents
as shown in the balance sheet.**

Bank overdraft	<u>(3,725)</u>
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LEISURELINE EUROPE PLC

Notes to the Accounts

For the period 11th September 1991 - 30th September 1992

1. Accounting Policies.

1.1 Accounting Conventions and basis of preparation.

The financial statements are prepared under the historical cost convention.

The accounts are prepared in accordance with applicable accounting standards.

1.2 Turnover.

This represents the invoiced amounts of services provided, net of value added tax.

1.3 Intangible Fixed Assets.

Development expenditure incurred on specific projects is carried forward and written off over 3 years.

1.4 Depreciation of fixed assets.

Provision is made for depreciation on all fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Furniture and fittings:	20% per annum on the straight line basis.
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1.5 Operating Leases.

Rentals under operating leases are charged against income as incurred.

1.6 Going Concern.

The financial statements have been prepared on a going concern basis.

The assumption is based on the assurances given by the shareholders that they will continue to provide the necessary funds to finance LeisureLine Europe's operation for a period of at least 12 months from the balance sheet date.

2. Turnover.

The turnover and loss are attributable to the one main activity of the Company.

All of the turnover arose from operation in the United Kingdom.

LEISURELINE EUROPE PLC
Notes to the Accounts - continued /....
For the period 11th September 1991 - 30th September 1992

1992

£

3. Operating (Loss)

This is stated after charging (crediting):

Staff costs (see note 4)	116,103
Auditor's remuneration	2,000
Depreciation	2,911
Equipment Rental	<u>43,187</u>

4. Employee Information.

4.1 Staff Costs:

Wages & Salaries	99,347
Social security costs	7,006
Other pension costs	9,750
TOTAL	<u>116,103</u>

No.

4.2 The average weekly number of employees was as follows:

5

4.3 Directors' emoluments:

The directors' emoluments, the remuneration (including pension) of which is included above amounted to:

91,400

4.4 The directors' remuneration shown above

(excluding pensions) included:-

Chairman and highest paid director 40,913

Other Directors' emoluments (excluding pensions) in the

No.

following ranges:

Up to £5,000

1

From £35,001 - £40,000

1

5. Interest Payable

3,592

Loan interest

6. Taxation.

There is no tax charge for the year due to the loss incurred.

LEISURELINE EUROPE PLC

Notes to the Accounts - continued /....

For the period 11th September 1991 - 30th September 1992.

7. Intangible Fixed assets.	Development £
Cost:	
At 11th September 1991	----
Additions	<u>12,609</u>
At 30th September 1992	<u>12,609</u>
Depreciation	
At 11th September 1991	----
Charge for year	<u>1,765</u>
At 30th September 1992	<u>1,765</u>
Net book value at 30th September 1992	<u>10,844</u>

8. Tangible Fixed assets.	Furniture & Fittings £
Cost:	
At 11th September 1991	----
Additions	<u>8,268</u>
At 30th September 1992	<u>8,268</u>
Depreciation	
At 11th September 1991	----
Charge for year	<u>1,146</u>
At 30th September 1992	<u>1,146</u>
Net book value at 30th September 1992	<u>7,122</u>

LEISURELINE EUROPE PLC
Notes to the Accounts - continued /....
For the period 11th September 1991 - 30th September 1992.

	1992
	£
9. Debtors	
Other Debtors	5,517
Trade debtors	<u>2,302</u>
	<u>7,819</u>

10. Creditors - Amount falling due within one year.

Trade creditors	35,801
Social security and other taxes	27,992
Directors' current accounts	7,000
Accruals	37,815
Loan	80,000
Bank Overdraft	<u>3,725</u>
	<u>192,333</u>

11. Share Capital	Authorised	Allotted, issued & fully paid.
	£	£

SHARE CAPITAL

Ordinary shares of £1 each	1,000,000	100,000
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12. OPERATING COMMITMENTS

Annual commitments under operating leases:

Expiring within : 1 year	Land & Buildings	49,155
: 2 to 5 years	Other	26,000