



City Centre Leisure (London) Limited

Financial Statements

Year ended 30 November 1998

Company Registration Number 2678878



City Centre Leisure (London) Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 30 November 1998.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be the management of leisure facilities.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The Company and CCL Leisure Group are undergoing a period of restructuring. The Company continues to hold assets for the Group as a whole.

RESULTS AND DIVIDENDS

The results of the Company for the period are set out in detail on page 4.

The directors do not recommend the payment of a dividend (1997 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the period and the beneficial and family interests of those serving at the beginning and the end of the period in the shares of the Company were as follows:

	At 30 November 1998	At 30 November 1997
	£1 Ordinary Shares	£1 Ordinary Shares
R M Bottomley, Chairman	-	-
I E Warren	-	-
P J Reid	-	-

The interests of the directors in the shares of the parent undertaking, CCL Leisure Limited were as follows:

	30 November 1998	30 November 1997
	£1 Ordinary Shares	£1 Ordinary Shares
R M Bottomley (Managing Director)	15,719	15,719
I E Warren	1,416	1,416
P J Reid	-	-

AUDITORS

A resolution to re-appoint Creaseys as auditors will be proposed at the forthcoming Annual General Meeting

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

on 8th Decy 1999



K R Milsom, Secretary

City Centre Leisure (London) Limited

STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing these 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;
- * 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act. 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.

City Centre Leisure (London) Limited

AUDITORS' REPORT TO THE MEMBERS OF CITY CENTRE LEISURE (LONDON) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. 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 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 Company's state of affairs as at 30 November 1998 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Creaseys 8 July 1999

Creaseys
Chartered Accountants and Registered Auditors
12 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1PA

City Centre Leisure (London) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 November 1998

		1998	15 months 1997
	Note	£	£
TURNOVER	1(b)	(987)	667,446
Cost of sales		(4,286)	(553,021)
GROSS (LOSS)/PROFIT		<u>(5,273)</u>	<u>114,425</u>
Administrative expenses		-	(69,768)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>(5,273)</u>	<u>44,657</u>
Tax credit on profit / (loss) on ordinary activities	5	-	2,048
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR / PERIOD	12	<u><u>(5,273)</u></u>	<u><u>46,705</u></u>

There are no recognised gains or losses or movements in shareholders' funds for the current financial year and preceding financial period other than as stated in the profit and loss account.

City Centre Leisure (London) Limited

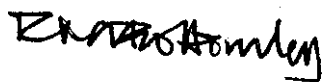
BALANCE SHEET

30 November 1998

	Note	1998 £	1998 £	1997 £	1997 £
FIXED ASSETS					
Tangible assets	6		-		1,115
CURRENT ASSETS					
Stocks	7	22,214		17,892	
Debtors	8	161,286		186,536	
Cash at bank and in hand		312		1,544	
		<u>183,812</u>		<u>205,972</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
	9	<u>(152,012)</u>		<u>(170,014)</u>	
NET CURRENT ASSETS / (LIABILITIES)			31,800		35,958
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,800</u>		<u>37,073</u>
TOTAL NET ASSETS / (LIABILITIES)			<u><u>31,800</u></u>		<u><u>37,073</u></u>
CAPITAL AND RESERVES					
CALLED UP EQUITY SHARE CAPITAL	11		1,000		1,000
PROFIT AND LOSS ACCOUNT	12		30,800		36,073
EQUITY SHAREHOLDERS' FUNDS			<u><u>31,800</u></u>		<u><u>37,073</u></u>

These financial statements were approved by the Board of Directors on 8 July 1999

Signed on behalf of the Board of Directors



R M Bottomley, Chairman

City Centre Leisure (London) Limited

NOTES TO THE ACCOUNTS

For the year ended 30 November 1998

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) **CONVENTION**

The financial statements have been prepared in accordance with the historical cost convention.

(b) **TURNOVER**

Turnover is the amount derived from provision of goods and services falling within the Company's ordinary activities after deduction of trade discounts and value added tax and arises wholly in the United Kingdom.

(c) **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write down the cost of the tangible fixed assets to their estimated residual value by equal annual instalments over the period of their estimated useful economic lives, which are considered to be:

Plant and machinery	4 years *
Fixtures and fittings	4 years
Motor vehicles	6 years

* Included in plant and machinery since 1997 are contract improvements which are payments made by the Gro to improve centre facilities. The items purchased do not become the property of the Group and the expenditure is written off over the remaining life of each management contract or the asset's useful economic life if shorter.

(d) **LEASED ASSETS**

Fixed assets held under hire purchase contracts are capitalised and depreciated over their expected useful economic lives. The finance charges are allocated equally over the primary period of the lease. The costs of operating leases are charged to the profit and loss account as they accrue.

(e) **STOCKS**

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

(f) **PENSIONS**

The Company operates a defined contribution pension scheme for all employees upon meeting defined criteria. The pension cost charge represents contributions payable by the Company in respect of the accounting period. All assets of the scheme are held separately from the Company.

(g) **DEFERRED TAXATION**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

(h) **GOING CONCERN**

The accounts have been prepared on the going concern basis which is dependent upon the continued support of the ultimate parent company. The directors have received assurances that this support will be provided and therefore it is appropriate to prepare the accounts on the going concern basis.

City Centre Leisure (London) Limited

NOTES TO THE ACCOUNTS

For the year ended 30 November 1998

2	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1998 £	1997 £
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(Loss)/profit on ordinary activities before taxation is arrived at after charging:

Management charges payable to immediate parent company	-	69,768
Depreciation of owned assets	1,115	7,600
Auditors' remuneration	<u>1,000</u>	<u>3,000</u>

3 **EMPLOYEES** **Employee numbers and costs**

All employees are employed by the parent Company, CCL Leisure Limited.

The average number employed which relate to this Company, including directors, within each category of persons was:

	1998 Number	1997 Number
Administrative staff	-	1
Operative staff	-	19
Total staff	<u>-</u>	<u>20</u>

The costs incurred in these financial statements in respect of these employees were:

	£	£
Wages and salaries	-	350,263
Social security costs	-	27,836
Other pension costs	-	3,808
Total staff costs	<u>-</u>	<u>381,907</u>

City Centre Leisure (London) Limited

NOTES TO THE ACCOUNTS

For the year ended 30 November 1998

4 DIRECTORS

None of the directors received any remuneration from the Company during the period (1996 - £nil). The remuneration received by the directors from the ultimate parent Company, CCL Leisure Limited is shown in the financial statements of that Company.

5 TAX CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Tax for the period comprises:

	1998 £	1997 £
Adjustment to prior years' tax provision	-	2,048
	<u>-</u>	<u>2,048</u>

6 TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
COST				
At 1 December 1997	23,801	3,036	4,750	31,587
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 November 1998	<u>23,801</u>	<u>3,036</u>	<u>4,750</u>	<u>31,587</u>
DEPRECIATION				
At 1 December 1997	22,686	3,036	4,750	30,472
Charge for the period	1,115	-	-	1,115
Disposals	-	-	-	-
At 30 November 1998	<u>23,801</u>	<u>3,036</u>	<u>4,750</u>	<u>31,587</u>
NET BOOK VALUE				
At 30 November 1998	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 November 1997	<u>1,115</u>	<u>-</u>	<u>-</u>	<u>1,115</u>

City Centre Leisure (London) Limited

NOTES TO THE ACCOUNTS

For the year ended 30 November 1998

	1998 £	1997 £
7 STOCKS		
Consumable stores	11,610	10,436
Goods for resale	10,604	7,456
Total stocks	<u>22,214</u>	<u>17,892</u>

	1998 £	1997 £
8 DEBTORS		
Trade debtors	52,787	16,647
Amounts owed by parent Company	74,836	157,625
Prepayments and accrued income	33,663	12,264
	<u>161,286</u>	<u>186,536</u>

	1998 £	1997 £
9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR		
Obligations under hire purchase contracts	-	(1,035)
Other creditors	59,603	58,853
Corporation tax	-	-
Accruals and deferred income	92,409	112,196
	<u>152,012</u>	<u>170,014</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided 1998 £	Provided 1997 £	Not provided 1998 £	Not provided 1997 £
Capital allowances in excess of depreciation	-	-	-	(5,661)
Unrelieved tax losses	-	-	-	-
Total deferred taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,661)</u>

City Centre Leisure (London) Limited

NOTES TO THE ACCOUNTS

For the year ended 30 November 1998

11 CALLED UP EQUITY SHARE CAPITAL	1998	1997
	£	£
Authorised		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
12 PROFIT AND LOSS ACCOUNT		£
At 1 December 1997		36,073
Retained loss for the period		<u>(5,273)</u>
At 30 November 1998		<u>30,800</u>

13 RELATED PARTY DISCLOSURES

The ultimate parent Company is Apollo Leisure Group plc. and immediate parent company is CCL Leisure Limited. Both companies are incorporated in Great Britain and their financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The company has taken advantage of the exemptions in FRS 8 from the disclosure of transactions with entities that are part of the group on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the group are publicly available. The company is controlled by the shareholder directors of CCL Leisure Limited.