



## **City Centre Leisure (Meridian) Limited**

# **Financial Statements**

**Year ended 31 August 1996**

Company Registration Number 2700627



# City Centre Leisure (Meridian) Limited

## REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31 August 1996.

## PRINCIPAL ACTIVITY

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

## REVIEW OF BUSINESS AND FUTURE PROSPECTS

The Company has had a successful year's trading, gaining the benefits of work in the previous year to improve profitability. The Company expects these improvements to continue with a better trading result for 1997.

## RESULTS AND DIVIDENDS

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

The retained profit was £66,856 (1995 - profit of £23,617).

The directors do not recommend the payment of a dividend (1995 - £ nil)

## DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their beneficial and family interests at the end of the year in the shares of the Company were as follows:

R M Bottomley, Chairman

D G Swinburn

Neither director held shares in the Company.

The interests of Mr R M Bottomley in the shares of the parent undertaking, City Centre Leisure (Holdings) Limited, are disclosed in the accounts of that Company.

Neither director had any interests in the shares of fellow subsidiary companies.

## AUDITORS

A resolution to re-appoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

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



K R Milsom, Secretary  
8th July 1997

# **City Centre Leisure (Meridian) 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 a 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 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.

# City Centre Leisure (Meridian) Limited

## AUDITORS' REPORT TO THE MEMBERS OF CITY CENTRE LEISURE (MERIDIAN) 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 31 August 1996 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Hill House  
1 Little New Street  
London  
EC4A 3TR

10 July 1997

# City Centre Leisure (Meridian) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 August 1996

	Note	1996 £	1995 £
TURNOVER	1(b)	930,819	895,378
Cost of sales		(767,385)	(787,817)
GROSS PROFIT		<u>163,434</u>	<u>107,561</u>
Administrative expenses		(81,836)	(82,216)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>81,598</u>	<u>25,345</u>
Taxation on profit on ordinary activities	5	(14,742)	(1,728)
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	<u><u>66,856</u></u>	<u><u>23,617</u></u>

All results above derive from continuing operations.

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

# City Centre Leisure (Meridian) Limited

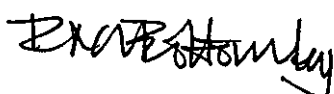
## BALANCE SHEET

31 August 1996

	Note	1996 £	1996 £	1995 £	1995 £
FIXED ASSETS					
Tangible assets	6		4,648		6,381
CURRENT ASSETS					
Stocks	7	5,515		5,772	
Debtors	8	107,255		119,898	
Cash at bank and in hand		9,222		5,792	
		<u>121,992</u>		<u>131,462</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(41,356)</u>		<u>(119,415)</u>	
NET CURRENT ASSETS			80,636		12,047
TOTAL NET ASSETS			<u>85,284</u>		<u>18,428</u>
CAPITAL AND RESERVES					
CALLED UP EQUITY SHARE CAPITAL	11		100		100
PROFIT AND LOSS ACCOUNT	12		85,184		18,328
EQUITY SHAREHOLDERS' FUNDS			<u>85,284</u>		<u>18,428</u>

These financial statements were approved by the Directors on 8th July 1997.

Signed on behalf of the Board of Directors



R M Bottomley, Chairman

# City Centre Leisure (Meridian) Limited

## NOTES TO THE ACCOUNTS

31 August 1996

### 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

(d) **STOCKS**

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

(e) **MAINTENANCE EXPENDITURE**

Provision is made for contracted maintenance expenditure when, due to timing differences, actual expenditure falls behind contracted obligations.

(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.

# City Centre Leisure (Meridian) Limited

## NOTES TO THE ACCOUNTS

31 August 1996

<b>2</b>	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1996 £	1995 £
	Profit on ordinary activities before taxation is arrived at after charging:		
	Management charges payable to parent company	81,836	82,216
	Depreciation of owned assets	3,345	2,945
	Auditors' remuneration	<u>4,000</u>	<u>4,000</u>

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

All employees are employed by the parent Company, City Centre Leisure (Holdings) Limited.

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

	1996 Number	1995 Number
Administrative staff	2	2
Operative staff	<u>28</u>	<u>30</u>
Total staff	<u>30</u>	<u>32</u>

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

	£	£
Wages and salaries	351,824	348,831
Social security costs	28,088	28,747
Other pension costs	<u>4,731</u>	<u>4,825</u>
Total staff costs	<u>384,643</u>	<u>382,403</u>



# City Centre Leisure (Meridian) Limited

## NOTES TO THE ACCOUNTS

31 August 1996

### 4 DIRECTORS

None of the directors received any remuneration from the Company during the year (1995 - £ nil). The remuneration received by Mr R M Bottomley from the ultimate parent Company, City Centre Leisure (Holdings) Limited, is shown in the financial statements of that Company.

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

1996	1995
£	£

Tax is based on the profits for the year and comprises:

Corporation tax at a rate of 25% of taxable profit	<u>14,742</u>	<u>1,728</u>
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The tax charge is disproportionately low due to the availability of group relief.

### 6 TANGIBLE FIXED ASSETS

Plant and machinery	Fixtures and fittings	Total
£	£	£

#### COST

At 1 September 1995	10,150	2,590	12,740
Additions	<u>1,015</u>	<u>597</u>	<u>1,612</u>
At 31 August 1996	<u>11,165</u>	<u>3,187</u>	<u>14,352</u>

#### DEPRECIATION

At 1 September 1995	4,957	1,402	6,359
Charge for the year	<u>2,749</u>	<u>596</u>	<u>3,345</u>
At 31 August 1996	<u>7,706</u>	<u>1,998</u>	<u>9,704</u>

#### NET BOOK VALUE

At 31 August 1996	<u>3,459</u>	<u>1,189</u>	<u>4,648</u>
At 31 August 1995	<u>5,193</u>	<u>1,188</u>	<u>6,381</u>

# City Centre Leisure (Meridian) Limited

## NOTES TO THE ACCOUNTS

31 August 1996

	1996 £	1995 £
<b>7 STOCKS</b>		
Consumable stores	2,088	1,875
Goods for resale	<u>3,427</u>	<u>3,897</u>
Total stocks	<u><u>5,515</u></u>	<u><u>5,772</u></u>

	1996 £	1995 £
<b>8 DEBTORS</b>		
Trade debtors	66,845	99,219
Contract improvements	1,116	14,510
Amounts owed by parent company	40,692	-
Prepayments and accrued income	<u>2,559</u>	<u>6,169</u>
	<u><u>111,212</u></u>	<u><u>119,898</u></u>

Contract improvements above are payments made by the Company to improve centre facilities. The items purchased do not become the property of the Company and the expenditure is written off over the remaining life of each management contract.

	1996 £	1995 £
<b>9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Amounts owed to parent Company	-	64,150
Other creditors	12,693	13,103
Corporation tax	14,742	1,728
Accruals and deferred income	<u>17,878</u>	<u>40,434</u>
	<u><u>45,313</u></u>	<u><u>119,415</u></u>

## 10 PROVISIONS FOR LIABILITIES AND CHARGES

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

	Provided 1996 £	Provided 1995 £	Not provided 1996 £	Not provided 1995 £
Capital allowances in excess of depreciation	-	-	(2,792)	(18)
Unrelieved tax losses	-	-	-	-
Total deferred taxation	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(2,792)</u></u>	<u><u>(18)</u></u>

# City Centre Leisure (Meridian) Limited

## NOTES TO THE ACCOUNTS

31 August 1996

<b>11 CALLED UP EQUITY SHARE CAPITAL</b>	1996 £	1995 £
Authorised 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>12 PROFIT AND LOSS ACCOUNT</b>		£
At 1 September 1995		18,328
Retained profit for the year		<u>66,856</u>
At 31 August 1996		<u>85,184</u>
<b>13 ULTIMATE PARENT COMPANY</b>		
The ultimate parent Company is City Centre Leisure (Holdings) Limited, which is registered in England and Wales. Copies of the group financial statements are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.		