

2832351.

**NORTHWOOD DEVELOPMENTS
LIMITED**

1995
REPORT & ACCOUNTS



Northwood Developments Limited

DIRECTORS AND PROFESSIONAL ADVISORS

Directors

J.L.Beckwith (Chairman)
P.M.Beckwith
J.H.Beedle
E.M.Dand
P.R.Hutchins
M.C.Johnson
M.Luckwell

Secretary and Registered Office

P.R.Ashworth
Kew Bridge House
No2 Thameside Centre
Kew Bridge Road
Brentford
Middlesex TW8 0HF

Registered in England
No. 2832351

Auditors

Price Waterhouse
Chartered Accountants
Southwark Towers
32 London Bridge Street
London SE1 9SY

Solicitors

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN

Bankers

Bank of Scotland
38 Threadneedle Street
London EC2P 2EH

Northwood Developments Limited

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the period ended 31 December 1995.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each year which 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. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed; and
- d) prepare 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 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.

Review of the Business

On 9 January 1995 the company was granted planning permission by the Secretary of State for the Environment to enable it to develop its property at Northwood into a multi-sport complex.

Construction of a sports and leisure club on its 78 acre site is underway and the facility is due to open in June 1996. Seven outdoor courts were opened in June 1995 when membership sales commenced.

In the opinion of the directors the financial position of the company at the 31 December 1995 date was satisfactory.

Results and Dividends

Since planning permission was granted the company has been incurring pre trading expenditure which is capitalised up to opening, in line with group accounting policy. There was no transfer to reserves during the year.

No interim dividend was paid and the directors do not recommend the payment of a final dividend

Share Capital

There were no movements in Share Capital during the period.

Northwood Developments Limited

DIRECTORS' REPORT

Directors and their Interests The directors holding office during the period were as follows:

	Appointed	Resigned
P.M.Beckwith		
P.Gay		22.3.95
J.L.Beckwith	22.3.95	
J.H.Beedle	22.3.95	
E.M.Dand	22.3.95	
P.R.Hutchins	22.3.95	
M.C.Johnson	22.3.95	
M.Luckwell	22.3.95	

The interest of the directors in the share capital of the company at the beginning and end of the period were as follows:

	Class of Share	Number of Shares	
		31.12.95	31.12.94
P.M.Beckwith	Ordinary Shares:		
	Fully Paid £1	Nil	985
P.Gay	Ordinary Shares:		
	Fully Paid £1	Nil	15

None of the other directors had any interest in the ordinary share capital of the Company other than by virtue of the their interests in the shares of the ultimate holding company Riverside PLC, which are disclosed in the accounts of that company.

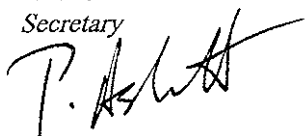
Fixed Assets

The movements in fixed assets during the year are shown in Note 5. The freehold property of the company has been revalued at October 1995 based on a revaluation carried out by Humberts Leisure, Chartered Surveyors and Leisure Property Specialists on the basis of open market value for existing use.

Charitable Donations

There were no charitable donations during the period.

By Order of the Board
P.R.Ashworth
Secretary



28 March 1996

Kew Bridge House
No 2 Thameside Centre
Kew Bridge Road
Brentford
Middlesex TW8 0HF

Northwood Developments Limited

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF NORTHWOOD DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 state of affairs of the Company as at 31 December 1995 and of the result of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY

28 March 1996

Northwood Developments Limited

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

	Notes	31.12.95 £	31.12.94 £
Turnover		-	-
Net operating expenses		-	(145,912)
Operating loss		-	(145,912)
Profit on disposal of tangible fixed assets		-	-
Profit on disposal of fixed assets Investments		-	-
Interest receivable and similar income		-	525
Interest payable and similar charges		-	(351)
Loss on ordinary activities before taxation	2	-	(145,738)
Tax on profit on ordinary activities	4	-	-
Loss on ordinary activities after taxation		-	(145,738)
Retained losses brought forward		(184,712)	(38,974)
Retained loss carried forward		<u>(184,712)</u>	<u>(184,712)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 1995

	12 months to 31 December 1995	12 months to 31 December 1994
Loss for the financial year	-	(145,738)
Unrealised surplus on revaluation of properties	<u>1,269,740</u>	-
Total gains and losses recognised since last annual report	<u>1,269,740</u>	<u>(145,738)</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and the historical cost equivalents.

An analysis of reserves is given in Note 11.

Northwood Developments Limited

BALANCE SHEET
as at 31 December 1995

	Notes	31.12.95		31.12.94	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		7,644,308		2,218,068
Investments	6		-		2,860
			<u>7,644,308</u>		<u>2,220,928</u>
CURRENT ASSETS					
Debtors	7	76,865		4,452	
Cash at bank and in hand		16,781		8,018	
		<u>93,646</u>		<u>12,470</u>	
CREDITORS: Amounts falling due within one year					
Deferred Income		(243,556)		-	
Other liabilities	8	<u>(726,503)</u>		<u>(2,417,110)</u>	
		(970,059)		(2,417,110)	
NET CURRENT ASSETS			<u>(876,413)</u>		<u>(2,404,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,767,895		(183,712)
CREDITORS: Amounts falling due after more than one year					
Deferred Income			(885,314)		-
Other liabilities	9		<u>(4,796,553)</u>		<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,086,028</u>		<u>(183,712)</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,000		1,000
Revaluation Reserve	11		1,269,740		-
Profit and loss account	11		(184,712)		(184,712)
SHAREHOLDERS' FUNDS	12		<u>1,086,028</u>		<u>(183,712)</u>

The financial statements
were approved by the
Board of Directors on:
28 March 1996


JL Beckwith
Director

Northwood Developments Limited

NOTES TO THE ACCOUNTS
for the year ended 31 December 1995

1. Accounting Policies

a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by revaluations of certain fixed assets and in accordance with applicable accounting standards.

The accounts are prepared on a going concern basis with financial support being guaranteed by the company's parent undertaking to enable it to continue construction and meet its financial commitments.

The Company is a wholly owned subsidiary Riverside PLC which produces a consolidated cash flow statement in accordance with Financial Reporting Standard 1 (FRS1), consequently the company has taken advantage of the exemption in FRS1 from producing a cash flow statement.

b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its residual value evenly over its estimated useful life as follows;

Freehold buildings	60 years
Tennis court surfaces	5 years
Plant	10 years
Computers	5 years
Fixtures, fittings and equipment	5 years
Sports equipment	3 years
Gym weights	10 years

c) Investment

Investments are stated at cost less any permanent diminution in value.

d) Interest

Interest on the construction and major development of clubs may, when appropriate, be capitalised as part of the costs of construction.

e) Pre-opening expenses

Pre-opening and development expenses incurred up to opening are deferred and written off over five years.

Northwood Developments Limited

**NOTES TO THE ACCOUNTS
for the year ended 31 December 1995**

2. Operating Loss

	year to 31.12.95	year to 31.12.94
	£	£
a) Operating loss is stated after charging:		
Directors Remuneration	-	76,000
Depreciation of tangible assets	-	8,679
Auditors' remuneration	-	1,400

Auditors remuneration has been capitalised in 1995 (£8,000).

b) Directors' remuneration capitalised is £41,284:

The emoluments of the Chairman were £2,584 (1994: nil) .

The emoluments of the highest paid director excluding pension contributions were £14,248 (1994 £70,000).

The number of directors whose emoluments fell within the following ranges were:

	<u>Number</u> <u>1995</u>	<u>Number</u> <u>1994</u>
£0 - £5,000	6	1
£10,001 - £15,000	1	-
£15,001 - £20,000	1	-
£65,001 - £70,000	-	1

3. Staff Costs

The average number of persons employed during the year was 3 (1994:1).

	1995	1994
	£	£
Their total remuneration was:		
Wages and salaries	85,109	19,114
Social security costs	8,396	9,571
Pension contributions	-	-
	<u>93,505</u>	<u>28,685</u>

The costs for 1995 have been capitalised.

4. Taxation

No provision for corporation tax has been made for 1995 and 1994.

Northwood Developments Limited

NOTES TO THE ACCOUNTS
for the year ended 31 December 1995

5. Tangible Assets

	Freehold Land & Buildings	Fixtures, Fittings Vehicles & Equipment	Total
	£	£	£
Cost or valuation			
At 31 December 1994	2,191,290	37,742	2,229,032
Additions	4,143,556	39,722	4,183,278
Disposals	-	(37,742)	(37,742)
Revaluation	1,269,740	-	1,269,740
	<hr/>	<hr/>	<hr/>
At 31 December 1995	7,604,586	39,722	7,644,308
Depreciation			
At 31 December 1994	-	10,964	10,964
Charge for the period	-	-	-
Disposals	-	(10,964)	(10,964)
Revaluation	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 1995	-	-	-
Net Book Value:			
At 31 December 1995	<u>7,604,586</u>	<u>39,722</u>	<u>7,644,308</u>
At 31 December 1994	<u>2,191,290</u>	<u>26,778</u>	<u>2,218,068</u>

The freehold property was professionally valued as at October 1995 by Humberts Leisure, Chartered Surveyors and Leisure Property Specialists on the basis of open market value for existing use. This valuation has been incorporated in the financial statements

The cumulative net book amount of interest capitalised within tangible fixed assets is £72,242.

6. Fixed Asset Investments

Investment	£
Cost	
at 31 December 1994	<u>3,575</u>
at 31 December 1995	<u>nil</u>
Net Book Values	
at 31 December 1994	<u>2,860</u>
at 31 December 1995	<u>nil</u>

The investment was disposed of during the year.

Northwood Developments Limited

NOTES TO THE ACCOUNTS
for the year ended 31 December 1995

7. Debtors: all due within 1 year	31.12.95 £	31.12.94 £
Pre trading debtors	9,195	-
Prepayments and accrued income	5,895	4,452
Other Debtors	<u>61,775</u>	<u>-</u>
	<u>76,865</u>	<u>4,452</u>
8. Creditors: amounts falling due within one year	31.12.95 £	31.12.94 £
Bank Loan and overdraft	-	1,631,167
Pre trading Creditors	632,638	2,065
Other taxation & social security costs	4,362	8,471
Shareholders Loans	-	602,145
Accruals	33,089	-
Amounts owed to parent undertaking	54,795	-
Other Creditors	<u>1,619</u>	<u>173,262</u>
	<u>726,503</u>	<u>2,417,110</u>
Deferred Income	<u>243,556</u>	<u>-</u>
	<u>970,059</u>	<u>2,417,110</u>
At the beginning of the year there were shareholders loans as follows	31.12.95 £	31.12.94 £
PM Beckwith Interest Free	-	322,140
Interest chargeable at 1.75% above LIBOR	<u>-</u>	<u>270,000</u>
	-	592,140
P Gay Interest Free	<u>-</u>	<u>10,005</u>
	-	602,145
Accrued interest on Loans (other creditors)	<u>-</u>	<u>8,376</u>
	-	<u>610,521</u>
These were fully repaid during the year.		
9. Creditors: amounts falling due after more than one year	31.12.95 £	31.12.94 £
Amounts owed to parent undertaking	4,796,553	-
Deferred Income	<u>885,314</u>	<u>-</u>
	<u>5,681,867</u>	<u>-</u>
10. Share Capital	31.12.95	31.12.94
Authorised:	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

Northwood Developments Limited

NOTES TO THE ACCOUNTS
for the year ended 31 December 1995

11. Reserves

	Total £	Profit & Loss A/c £	Revaluation Reserve £
Balance at 31 December 1994	(184,712)	(184,712)	-
Revaluation surplus	<u>1,269,740</u>	<u>-</u>	<u>1,269,740</u>
Balance at 31 December 1995	<u>1,085,028</u>	<u>(184,712)</u>	<u>1,269,740</u>

12. Reconciliation of
Movements in
Shareholders' Funds

	31.12.95 £	31.12.94 £
Loss for the financial year	-	(145,738)
Unrealised surplus on revaluation of properties	<u>1,269,740</u>	<u>-</u>
Net Addition to shareholders funds	<u>1,269,740</u>	<u>(145,738)</u>
Opening Shareholders' funds	<u>(183,712)</u>	<u>(37,974)</u>
Closing shareholders' funds	<u>1,086,028</u>	<u>(183,712)</u>

13. Contingent Liability Riverside PLC, the ultimate parent undertaking of the Company, holds loans of £8,500,000 and a £7,000,000 loan facility which are secured on the assets of its subsidiaries, including Northwood Developments Limited.

14. Ultimate Holding Company: The ultimate parent undertaking is Riverside PLC, which is registered in England and is the parent undertaking of the smallest and largest groups for which group accounts are prepared. Copies of the group accounts are available from the Secretary of the Company at Kew Bridge House, No.2 Thameside Centre, Kew Bridge Road, Brentford, Middlesex TW8 OHF.

15. Directors' Interests in Transactions with the Company P. M. Beckwith was the Chairman and majority shareholder of Northwood Developments Limited which was purchased by the Company on 22 March 1995. Consideration, including deferred consideration was £683,602.

16. Capital
Commitments

	1995 £	1994 £
Contracted for but not provided	4,014,358	-
Authorised by the Board of Directors but not contracted for	<u>1,148,198</u>	<u>-</u>
	<u>5,162,556</u>	<u>-</u>