

Touchline Event Management Limited

Directors' report and financial statements

26 July 1998

Registered number 3299841



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 26 July 1998.

Principal activities

The principal activity of the company is the provision of stewarding services at sporting and other events.

Business review

The directors intend to continue the strategy of improving the performance of the company and are optimistic about the long term prospects.

The results for the year can be seen on page 5 of the financial statements. The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the period were as follows:

DS Hall
WF Shepherd (resigned 29 March 1999)
R Jones

None of the directors who held office at the end of the financial period had any disclosable interests in the shares of the company. The interests of those directors in the shares of other group undertakings are disclosed in the financial statements of The Sporting Club Limited.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families or exercised by them, during the financial period.

Employees

During the year the policy of providing employees with information about the company was achieved by way of regular meetings held between management and employees allowing a free flow of information and ideas.

The company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately filled by such persons.

Where existing employees become disabled, it is company policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Year 2000 and introduction of the Euro

The directors have considered the risks associated with the Year 2000 problem. Given the complexity of the issue, it is not possible for any organisation to give an absolute guarantee that no Year 2000 issues will arise. The directors, however, believe that the company will achieve an acceptable state of readiness and is developing contingency plans to deal with any failures or issues which might arise. The cost of addressing this issue has not been quantified but is not expected to be material in the context of the financial statements.

The impact of the introduction of the Euro is expected to be minimal.

Directors' report (*continued*)

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board.

A handwritten signature in black ink, appearing to be 'R. Jones', with a stylized flourish at the end.

R. Jones
Director

1 Allison Court
Metro Centre
Gateshead
Tyne & Wear
NE11 9YS

6 May 1999

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 and of the profit or loss for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Report of the auditors to the members of Touchline Event Management Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 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 the company's affairs as at 26 July 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'H. M. B.', written over a horizontal line.

KPMG
Chartered Accountants
Registered Auditors

6 May 1999

Profit and loss account
for the year ended 26 July 1998


	<i>Note</i>	1998	Period from 8 January 1997 to 31 July 1997
		£	£
Turnover - continuing operations	2	696,833	214,897
Operating expenses		(595,779)	(213,162)
		<hr/>	<hr/>
Operating profit - continuing operations		101,054	1,735
Bank interest receivable		-	5
Bank interest payable		(694)	(50)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3-4	100,360	1,690
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit for the financial year/period	10	100,360	1,690
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains or losses other than the profit for the year/period.

Balance sheet
at 26 July 1998

	<i>Note</i>	1998	1997
		£	£
Fixed assets	<i>6</i>	7,341	-
Current assets			
Debtors	<i>7</i>	150,266	410,233
Cash at bank		31,995	-
		<hr/>	<hr/>
Creditors: amounts falling due within one year	<i>8</i>	182,261 (87,452)	410,233 (403,443)
		<hr/>	<hr/>
Net current assets		94,809	1,790
		<hr/>	<hr/>
Net assets		102,150	1,790
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	<i>9</i>	100	100
Reserves	<i>10</i>	102,050	1,690
		<hr/>	<hr/>
Shareholders' funds: equity	<i>11</i>	102,150	1,790
		<hr/>	<hr/>

These financial statements were approved by the board of directors on *6 May 1999* and were signed on its behalf by:


R Jones
Director

Cash flow statement
for the year ended 26 July 1998

	<i>Note</i>	1998	Period from 8 January 1997 to 31 July 1997
		£	£
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		101,054	1,735
Depreciation charges		1,165	-
Loss on sale of fixed assets		403	-
Decrease/(increase) in debtors		259,773	(410,233)
(Decrease)/increase in creditors		(313,780)	401,526
		<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities		48,615	(6,972)
		<hr/> <hr/>	<hr/> <hr/>

Cash flow statement

Cash flow from operating activities		48,615	(6,972)
Returns on investments and servicing of finance	12	(744)	5
Capital expenditure	12	8,909	-
		<hr/>	<hr/>
Cash inflow/(outflow) before management of liquid resources and financing		38,962	(6,967)
		<hr/>	<hr/>
Increase/(decrease) in cash in the period		38,962	(6,967)
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net funds/(debt)

Increase/(decrease) in cash in the period	13	38,962	(6,967)
		<hr/>	<hr/>
Change in net funds/(debt) resulting from cash flows		38,962	(6,967)
		<hr/>	<hr/>
Movement in net funds/(debt) in the period		38,962	(6,967)
Net debt at the start of the period		(6,967)	-
		<hr/>	<hr/>
Net funds/(debt) at the end of the period	13	31,995	(6,967)
		<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under FRS8 the company is exempt from the requirement to disclose related party transactions with Cameron Hall Group and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of The Sporting Club Limited.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their useful economic lives as follows:

Plant and equipment	-	3-6 years
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Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

2 Turnover

Turnover is all derived from the UK from the principal activity of the company.

Notes (continued)

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is arrived at after charging:

	1998	Period from 8 January 1997 to 31 July 1997
	£	£
Auditors' remuneration for:		
Audit	3,300	3,500
Other services	1,300	750
Loss on disposal of fixed assets	403	-
Depreciation	1,165	-
	<u> </u>	<u> </u>

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 1998	Period from 8 January 1997 to 31 July 1997
	£	£
Directors	3	3
Stewarding staff	364	192
Administration staff	1	1
	<u> </u>	<u> </u>
	368	196
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	1998	Period from 8 January 1997 to 31 July 1997
	£	£
Wages and salaries	495,298	190,253
Social security costs	15,575	4,057
	<u> </u>	<u> </u>
	510,873	194,310
	<u> </u>	<u> </u>

None of the directors received any remuneration during the year or prior period.

Notes (continued)

5 Taxation

No tax charge arises on the profit for the period due to the availability of trading losses from other group companies.

6 Tangible fixed assets

	Plant and equipment £
Cost	
At beginning of year	-
Additions	9,138
Disposals	(729)
	<hr/>
At end of year	8,409
	<hr/>
Depreciation	
At beginning of year	-
Charge for year	1,165
On disposal	(97)
	<hr/>
At end of year	1,068
	<hr/>
Net book value	
At 26 July 1998	7,341
	<hr/> <hr/>

7 Debtors

	1998 £	1997 £
Trade debtors	70,341	41,385
Amounts owed by group undertakings	79,461	368,848
Prepayments	464	-
	<hr/>	<hr/>
	150,4266	410,233
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

8 Creditors: amounts falling due within one year

	1998	1997
	£	£
Bank overdraft	-	6,967
Trade creditors	1,294	519
Amounts owed to group undertakings	59,084	386,275
Other taxes and social security	13,061	6,455
Accruals and deferred income	14,013	8,227
	<hr/>	<hr/>
	87,452	408,443
	<hr/> <hr/>	<hr/> <hr/>

9 Called up share capital

	1998	1997
	£	£
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £1 each	100	100
	<hr/> <hr/>	<hr/> <hr/>

10 Reserves

	Profit and loss account	
	1998	1997
	£	£
At beginning of year/period	1,690	-
Profit for the year/period	100,360	1,690
	<hr/>	<hr/>
At end of year/period	102,050	1,690
	<hr/> <hr/>	<hr/> <hr/>

11 Reconciliation of movements in shareholders' funds

	1998	1997
	£	£
Issue of share capital	-	100
Profit for the financial year/period	100,360	1,690
Opening shareholders' funds	1,790	-
	<hr/>	<hr/>
Closing shareholders' funds	102,150	1,790
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

12 Analysis of cash flows

	1998		1997	
	£	£	£	£
Returns on investment and servicing of finance				
Interest received	-		5	
Interest paid	(744)		-	
	<u> </u>		<u> </u>	
		(744)		5
		<u> </u>		<u> </u>
Capital expenditure				
Purchase of tangible fixed assets	(9,138)		-	
Sale of tangible fixed assets	229		-	
	<u> </u>		<u> </u>	
		(8,909)		-
		<u> </u>		<u> </u>

13 Analysis of net debt

	1997	Cash flow	1998
	£	£	£
Cash in hand, at bank	-	31,995	31,995
Overdrafts	(6,967)	6,967	-
	<u> </u>	<u> </u>	<u> </u>
Total	(6,967)	38,962	31,995
	<u> </u>	<u> </u>	<u> </u>

Notes *(continued)*

14 Contingent liabilities

The company has entered into a cross guarantee for overdrafts of certain group companies; the amount outstanding at the year end was £16,512,977 (1997:£14,215,424).

15 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of St James Security Limited.

The largest group in which the results of the company are consolidated is that headed by Cameron Hall Developments Limited. The smallest group in which they are consolidated is that headed by St James Security Limited. The accounts of both groups are available from Companies House and 1 Allison Court, Metro Centre, Gateshead, Tyne & Wear, NE11 9YS, respectively.

The company's immediate controlling party is The Sporting Club Limited. The ultimate controlling party of Cameron Hall Developments Limited consists of the trustees and beneficiaries of two trusts, to the extent that they all act in concert. DS Hall, a director of the company, Sir John Hall and GT Crute are the trustees of both trusts. DS Hall and his family are the beneficiaries of the trusts.