

COMPANY NUMBER 4722056

**LUMINAR IP**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**25 FEBRUARY 2010**



# **LUMINAR IP**

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## LUMINAR IP

### DIRECTORS, OFFICERS AND ADVISORS

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Company Registration Number	4722056
Registered Office	Luminar House Deltic Avenue Rooksley Milton Keynes Buckinghamshire MK13 8LW
Directors	A Marks (resigned 18 June 2010) T O’Gorman Luminar Leisure Limited (appointed 18 June 2010)
Company Secretary	T O’Gorman
Solicitors	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD
Independent Auditors	✓ PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors 10 Bricket Road St Albans Herts AL1 3JX

**LUMINAR IP****DIRECTORS' REPORT FOR THE YEAR ENDED 25 FEBRUARY 2010**

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The Directors present their annual report and the audited financial statements of the Group for the year ended 25 February 2010

**Principal activity, review of the business and future developments**

The Company does not trade. On 21 April 2009, the Luminar Dancing Finance sub-group underwent a restructure which resulted in the reassignment of corporation tax liabilities and certain liabilities owed to group undertakings within the Luminar Group. On the same day, the Company paid a dividend in specie to Luminar Entertainment Finance, settled by the assignment of an intercompany receivable balance within the Luminar Group.

The Company is expected to undertake minimal transactions in the forthcoming year.

**Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. Discussion of the risks and uncertainties, in the context of the group as a whole, is provided in the Luminar Group Holdings plc 2010 annual report which does not form a part of this report.

**Key performance indicators**

The Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The development, performance and position of the Luminar Group are discussed in the Luminar Group Holdings plc 2010 annual report which does not form a part of this report.

**Results and dividends**

The Company has received no income nor incurred any expenditure in the current or prior year, and as such a profit and loss account has not been presented. On 21 April 2009, the Company declared a distribution in the form of a dividend in specie to Luminar Entertainment Finance, settled by the assignment of part of an intercompany receivable from Luminar Dancing Finance (2009: £nil).

**Directors**

The Directors who held office during the year and up to the date of signing these financial statements are given below:

A Marks (resigned 18 June 2010)

T O'Gorman

Luminar Leisure Limited (appointed 18 June 2010)

**LUMINAR IP****DIRECTORS' REPORT FOR THE YEAR ENDED 25 FEBRUARY 2010 (CONTINUED)**

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**Statement of Directors' responsibilities in respect of the Annual Report and the financial statements**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**Disclosure of information to auditors**

Each of the persons who is a Director at the date of approval of this report confirms that so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and all the appropriate steps have been taken to make themselves aware of any relevant audit information (that is, relevant to the preparation of the auditors' report) and to establish that the Company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution for their reappointment will be proposed to the Annual General Meeting.

By order of the Board



**T O'Gorman**  
Company Secretary

24 November 2010

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMINAR IP

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We have audited the financial statements of Luminar IP for the year ended 25 February 2010 which comprise the Balance Sheet and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 25 February 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

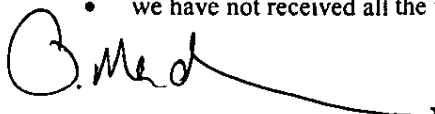
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Owen Mackney (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
24 November 2010

## LUMINAR IP

## BALANCE SHEET AS AT 25 FEBRUARY 2010

	Note	25 February 2010 £m	26 February 2009 £m
<b>Fixed assets</b>			
Investments	4	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Debtors	5	14.2	23.3
Creditors - amounts falling due within one year	6	(14.0)	(14.0)
		<u>-</u>	<u>-</u>
<b>Net current assets</b>		0.2	9.3
		<u>0.2</u>	<u>9.3</u>
<b>Net assets</b>			
		<u>0.2</u>	<u>9.3</u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss reserve	8	0.2	9.3
		<u>0.2</u>	<u>9.3</u>
<b>Total shareholders' funds</b>	9	0.2	9.3
		<u>0.2</u>	<u>9.3</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 24 November 2010 and were signed on its behalf by



**T O'Gorman**  
Director  
(Registered number 4722056)

**LUMINAR IP****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 FEBRUARY 2010****1 Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

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

**Going concern**

Luminar Group Holdings plc "the Group", of which Luminar IP is a member, benefits from a syndicated loan facility which extends until August 2012. The Group has also received a credit approved term sheet for a new three year facility, subject to documentation, which will replace the existing facility. The Directors consider the likelihood of the new facility not concluding successfully to be remote.

The Group's projections indicate that cash and EBITDA will be generated over the forthcoming year sufficient for the Group to remain within the covenants under the new facility. However, given the fragile nature of the economic recovery, in the event of a continued deterioration in market conditions the Directors recognise there is potential for budgeted headroom on the covenants to be eroded. The Directors have identified available mitigating actions that would be pursued to protect covenant headroom if trading results decline against projections.

In the remote event that the new facility is not entered into, the Group will continue to trade under its existing facility. The Group's covenant headroom under the existing facility will be at significantly lower levels than under the new facility, hence more stringent mitigating actions would need to be successfully pursued. Breach of the covenants would allow the bank to require immediate repayment of the debt.

However, as noted above, the Directors consider the likelihood of the new facility not being completed successfully to be remote, and therefore the Directors are satisfied that the Group will continue to operate within its covenants and that adequate financial resources are available to the Group within circumstances that can be reasonably foreseen.

For this reason, the Directors continue to adopt the going concern basis in preparing the Company's financial statements.

**Basis of consolidation**

The Company is wholly-owned within the group headed by Luminar Group Holdings plc and is included in the consolidated financial statements of Luminar Group Holdings plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

**Cash flow statement and related party disclosures**

At the year end, the Company was a wholly owned subsidiary of Luminar Group Holdings plc and was included in the consolidated financial statements of Luminar Group Holdings plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash flow statements" (Revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Luminar Group Holdings plc group.

**Profit and loss account**

As there was no income or expenditure in the current or prior year, a profit and loss account has not been presented.

**Investments**

Investments are stated at historical cost less provision for impairment.

**Taxation**

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.



## LUMINAR IP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 FEBRUARY 2010 (CONTINUED)

**2 Result on ordinary activities before taxation**

Auditor remuneration for the year ended 25 February 2010 amounted to £1,000 (2009 £1,000) This was borne by the ultimate parent company

**3 Directors and employees**

For the years ended 25 February 2010 and 26 February 2009 there were no staff costs

There is no headcount to disclose, as the Company had no employees (2009 none)

None of the Directors received any remuneration for their services to the Company (2009 none)

**4 Investments**

<b>Company</b>	<b>Investment in subsidiary £m</b>
Cost at 25 February 2010 and 26 February 2009	75 0
Impairment of investment at 25 February 2010 and 26 February 2009	(75 0)
<b>Net book value</b>	
<b>At 25 February 2010 and 26 February 2009</b>	<b>-</b>

The Company owns 100% of the ordinary share capital of Luminar Brands, a company incorporated in England and Wales

**5 Debtors**

	<b>25 February 2010 £m</b>	<b>26 February 2009 £m</b>
Amounts owed by group undertakings	<b>14.2</b>	<b>23 3</b>

Amounts owed by group undertakings are unsecured, repayable on demand and non-interest bearing

On 21 April 2009, the Company declared a distribution in the form of a dividend in specie to Luminar Entertainment Finance, settled by the assignment of part of an intercompany receivable from Luminar Dancing Finance

On 21 November 2010, the Company assigned all intercompany balances to Luminar Dancing Finance and Luminar Finance Limited at face value This was part of a larger reassignment exercise within the Luminar group in order to simplify the intercompany relationships within the group Management have assessed that this event has not impacted on the recoverability of the above intercompany balances

## LUMINAR IP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 FEBRUARY 2010 (CONTINUED)

## 6 Creditors - amounts falling due within one year

	25 February 2010 £m	26 February 2009 £m
Amounts owed to group undertakings	14.0	-
Corporation tax	-	10.8
	<u>14.0</u>	<u>10.8</u>

Amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing

On 21 April 2009, the Luminar Dancing Finance sub-group underwent a restructure which resulted in the reassignment of corporation tax liabilities and certain liabilities owed to group undertakings within the Luminar Group

## 7 Called up share capital

	25 February 2010 Number	£	26 February 2009 Number	£
<b>Authorised</b>				
Voting ordinary shares of £0.00000000254 each	392,977,277	1	392,977,277	1
	<u>392,977,277</u>	<u>1</u>	<u>392,977,277</u>	<u>1</u>
<b>Allotted, called up, issued and fully paid</b>				
Voting ordinary shares of £0.00000000254 each	392,977,277	1	392,977,277	1

## 8 Reserves

	Profit and loss reserve £m
At 27 February 2009	9.3
Result for the financial year	-
Distribution in year	(9.1)
	<u>0.2</u>
At 25 February 2010	

## LUMINAR IP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 FEBRUARY 2010 (CONTINUED)

**9 Reconciliation of movements in total shareholders' funds**

	25 February 2010 £m	26 February 2009 £m
Result for the year	-	-
Distribution in year	(9.1)	(9.1)
Opening total shareholders' funds	9.3	9.3
Closing total shareholders' funds	9.3	9.3

**10 Contingent liabilities**

Luminar IP is a guarantor of the Group's five year syndicated £175.0m revolving facility. The facility expires in August 2012.

**11 Financial commitments**

On 19 October 2006, the Company sold all of its rights to the trademarks it owned to Luminar Brands LP Incorporated. On the same day the two companies entered into an agreement whereby in 10 years time, Luminar Brands LP Incorporated will assign the worldwide right, title and interest in the trademarks to the Company for £29,213,000.

**12 Ultimate parent undertaking and controlling party**

At the year end the ultimate and controlling parent undertaking was Luminar Group Holdings plc, a company incorporated in England and Wales, which was the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Luminar Group Holdings plc financial statements can be obtained from the Company Secretary at Luminar House, Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, MK13 8LW.

The immediate parent company of Luminar IP is Luminar Entertainment Finance, a company registered in England and Wales.