COMPANY NUMBER: 5882675



**LUMINAR GEMS LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 2008

**LUMINAR GEMS LIMITED**

INDEX

**LUMINAR GEMS LIMITED**

DIRECTORS, OFFICERS AND ADVISORS

| | |
|---|---|
| Company Registration Number | 5882675 |
| Registered Office | Luminar House<br>Deltic Avenue<br>Rooksley<br>Milton Keynes<br>Buckinghamshire<br>MK13 8LW |
| Directors | A Marks<br>N Beighton |
| Company Secretary | T O'Gorman |
| Solicitors | CMS Cameron McKenna LLP<br>Mitre House<br>160 Aldersgate Street<br>London<br>EC1A 4DD |
| Independent Auditors | PricewaterhouseCoopers LLP<br>Chartered Accountants and Registered Auditors<br>10 Bricket Road<br>St Albans<br>Hertfordshire<br>AL1 3JX |

The Directors present their annual report and the audited financial statements of the Company for the year ended 28 February 2008. The comparative period relates to the period from incorporation on 20 July 2006 to 1 March 2007.

**Business review and principal activities**
The principal activity of the Company is as owner, developer and operator of nightclubs and themed bars in the United Kingdom.

On 19 October 2007, Luminar Group Holdings plc replaced the previous holding company (formerly known as Luminar plc) as the listed holding company for the Group.

During February 2008, the Luminar Group Holdings plc group underwent a reorganisation which involved the change in ownership of many subsidiary companies and assignment of intercompany balances, to align the corporate structure with the strategic objectives of the Group.

**Future outlook**
The external commercial environment is expected to remain competitive in 2008 as all operators within the late night and broader leisure sector vie for consumer spend.

**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 2008 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 2008 annual report which does not form a part of this report.

**Results and dividends**
The results for the year are set out in the profit and loss account on page 4. The Directors do not propose an ordinary dividend for the year (2007: £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
N Beighton

**Employees**
A policy has been adopted of providing employees with information about the Company. The Company encourages the involvement of employees in the Company's performance through employee and executive share option schemes.

It is the Company's policy when considering applications for vacancies to offer equal opportunity to disabled persons, subject to their abilities in relation to the job for which they apply. Wherever possible, employees becoming disabled will be maintained in employment and given such individual encouragement as the particular disability and the Company's needs permit.

The Company promotes economic awareness amongst its employees both through a monthly newsletter and an annual management conference and is committed to the process of informing employees of the financial performance of operating units as well as the Company as a whole.

**Payment policy**
It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction to ensure that suppliers are aware of these terms and to abide by them. Intercompany creditors are settled according to the nature of the balance.

**Charitable and political donations**
No charitable or political donations were made during the year (2007: £nil).

**Statement of Directors' responsibilities in respect of the Annual Report and the financial statements**
The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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 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.

**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 concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

T O'Gorman
**Company Secretary**

15 December 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUMINAR GEMS LIMITED

We have audited the financial statements of Luminar Gems Limited for the year ended 28 February 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of Directors and auditors**
The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 28 February 2008 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

**PricewaterhouseCoopers LLP**
Chartered Accountants and Registered Auditors
St Albans

17 December 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2008

| | Note | Pre-exceptionals & goodwill amortisation £m | Exceptionals & goodwill amortisation £m | Year ended 28 February 2008 Total £m | Pre-exceptionals & goodwill amortisation £m | Exceptionals & goodwill amortisation £m | Period ended 1 March 2007 Total £m |
|---|---|---|---|---|---|---|---|
| **Turnover** | | | | | | | |
| - continuing operations | | 32.5 | - | 32.5 | 13.9 | - | 13.9 |
| - discontinued operations | | 6.1 | - | 6.1 | 5.8 | - | 5.8 |
| - **total** | 2 | **38.6** | - | **38.6** | 19.7 | - | 19.7 |
| Cost of sales | | | | | | | |
| - continuing operations | | (5.0) | - | (5.0) | (2.0) | - | (2.0) |
| - discontinued operations | | (1.2) | - | (1.2) | (1.0) | - | (1.0) |
| - total | | (6.2) | - | (6.2) | (3.0) | - | (3.0) |
| **Gross profit** | | **32.4** | - | **32.4** | 16.7 | - | 16.7 |
| Administrative expenses | | | | | | | |
| - continuing operations | | (18.8) | (0.4) | (19.2) | (7.0) | (0.3) | (7.3) |
| - discontinued operations | | (5.0) | (0.4) | (5.4) | (3.4) | - | (3.4) |
| - total | | (23.8) | (0.8) | (24.6) | (10.4) | (0.3) | (10.7) |
| Operating profit / (loss) | | | | | | | |
| Pre-goodwill amortisation | | | | | | | |
| - continuing operations | | 8.7 | - | 8.7 | 4.9 | (0.1) | 4.8 |
| - discontinued operations | | (0.1) | (0.4) | (0.5) | 1.4 | - | 1.4 |
| Goodwill amortisation | 3 | - | (0.4) | (0.4) | - | (0.2) | (0.2) |
| **Total operating profit / (loss)** | | **8.6** | **(0.8)** | **7.8** | 6.3 | (0.3) | 6.0 |
| (Loss) / profit on disposal of units | 3 | - | (2.8) | (2.8) | - | 1.7 | 1.7 |
| Interest receivable and similar income | 4 | 0.1 | - | 0.1 | 0.1 | - | 0.1 |
| **Profit / (loss) on ordinary activities before taxation** | 2 | **8.7** | **(3.6)** | **5.1** | 6.4 | 1.4 | 7.8 |
| Tax on profit / (loss) on ordinary activities | 6 | (0.8) | - | (0.8) | (1.1) | - | (1.1) |
| **Profit / (loss) for the financial year / period** | 15 | **7.9** | **(3.6)** | **4.3** | 5.3 | 1.4 | 6.7 |

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year / period stated above and their historical cost equivalents.

The Company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET AS AT 28 FEBRUARY 2008

| | Note | 28 February 2008 £m | 1 March 2007 £m |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets | 7 | | |
| - Goodwill | | 24.2 | 8.8 |
| - Trademarks | | 0.4 | - |
| | | 24.6 | 8.8 |
| Tangible fixed assets | 8 | 61.7 | 51.2 |
| Investments | 9 | 9.0 | 3.9 |
| | | 95.3 | 63.9 |
| **Current assets** | | | |
| Stocks | 10 | 0.4 | 0.3 |
| Debtors – due after more than one year | 11 | - | 1.6 |
| – due in less than one year | 11 | 8.5 | 21.9 |
| Cash at bank and in hand | | 0.4 | 0.2 |
| | | 9.3 | 24.0 |
| Assets held for sale | | 4.2 | - |
| | | 13.5 | 24.0 |
| **Creditors - amounts falling due within one year** | 12 | (17.0) | (1.3) |
| **Net current (liabilities) / assets** | | (3.5) | 22.7 |
| **Total assets less current liabilities** | | 91.8 | 86.6 |
| **Provisions for liabilities** | 13 | (2.1) | (1.2) |
| **Net assets** | | 89.7 | 85.4 |
| **Capital and reserves** | | | |
| Called up share capital | 14 | 78.7 | 78.7 |
| Profit and loss reserve | 15 | 11.0 | 6.7 |
| **Total shareholders' funds** | 16 | 89.7 | 85.4 |

The financial statements on pages 4 to 18 were approved by the Board of Directors on 15 December 2008 and were signed on its behalf by:

A Marks
**Director**

## 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 1985 and applicable accounting standards in the UK.

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

### Turnover

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts.

### Cash flow statement and related party disclosures

On 19 October 2007, Luminar Group Holdings plc replaced the company formerly known as Luminar plc as the listed holding company for the Group.

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 (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.

### Going concern

At 28 February 2008 the Company had net current liabilities of £3.5m. Luminar Group Holdings plc has agreed to provide sufficient funds to support the Company for a period of 12 months from the date of signing of the accounts.

### 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.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates and laws that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

### Intangible assets and goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over its estimated useful economic life of twenty years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**1 Accounting policies (continued)**

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Finance costs on fixed asset additions are capitalised during the period of construction. No depreciation is charged during the period of construction.

Depreciation is calculated to write down the cost or valuation less the estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives.

The periods generally applicable are:

- Freehold and long leasehold land and buildings and related structural fixtures and fittings - fifty years
- Short leasehold land and buildings and related structural fixtures and fittings - over the period of the lease
- Fixtures, fittings, furniture and equipment - between two years and ten years

In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the carrying value of assets have been compared at each balance sheet date to their recoverable amounts, represented by the higher of their value in use or net realisable value, and any permanent impairments have been recognised.

**Investments**

Investments are stated at historical cost, less provisions for impairment. Provisions for impairment are created when the recoverable amount of the investment is believed to be permanently lower than the carrying value.

**Stocks**

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

**Assets held for resale**

Where the Company intends to dispose of a fixed asset, the asset is considered to no longer be intended for use on a continuing basis in the Company's activities. As such the asset no longer meets the definition of a fixed asset and is accordingly transferred to current assets and classified as an asset held for resale.

Assets held for resale are carried at the lower of cost or net realisable value.

**Leased assets and lease incentives**

All leases and lease incentives where the significant risks and rewards of ownership are retained by the lessor, are regarded as operating leases by the Company. Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Lease incentives received are recognised over the period to the first rent review.

**Contributions to pension funds (Defined contribution scheme)**

The pension costs charged against profits represent the amount of the contributions payable to a Company sponsored defined contribution pension schemes in respect of the accounting period.

## 2 Turnover and profit / (loss) on ordinary activities before taxation

The Company has one primary segment, that being nightclubs.

| | **Year ended 28 February 2008 £m** | Period ended 1 March 2007 £m |
|---|---|---|
| Depreciation of tangible fixed assets | **4.2** | 1.6 |
| Amortisation of goodwill | **0.4** | 0.2 |
| Operating lease rentals of land and buildings | **2.4** | 1.0 |

Auditor remuneration for the year ended 28 February 2008 amounted to £2,000 (period ended 1 March 2007: £1,000). This was borne by the ultimate parent company.

## 3 Exceptional charge / (credit) and goodwill amortisation

| | **Year ended 28 February 2008 £m** | Period ended 1 March 2007 £m |
|---|---|---|
| Goodwill amortisation | **0.4** | 0.2 |
| Loss / (profit) on disposal of units | **2.8** | (1.7) |
| Impairment of investment in partnership | **-** | 0.1 |
| Impairment of tangible fixed assets | **0.4** | - |
| | **3.6** | (1.4) |

During the year, the Company disposed of certain units to other Luminar group companies for £8.0m of consideration. A loss of £2.8m has been recorded on these transactions, represented by the goodwill written off in relation to these units. All other assets and liabilities were sold for their book value.

| | **Book value £m** |
|---|---|
| **Fixed assets** | |
| - Positive goodwill (see note 7) | **(2.8)** |
| - Tangible fixed assets (see note 8) | **(8.2)** |
| **Current assets** | |
| - Other current assets | **(0.2)** |
| **Creditors – amounts falling due within one year** | **0.4** |
| | **(10.8)** |
| **Consideration:** | |
| Intercompany account | **8.0** |
| **Loss on sale of units** | **(2.8)** |

During the prior period, fixed assets with a book value of £12.5m were sold out of assets held for resale by the Company to The 3D Entertainment Group Limited and P1 Bars Propco Limited. The proceeds for the assets and business sold were £14.2m and a profit of £1.7m arose as a result of this transaction in the Company.

**3 Exceptional charge / (credit) and goodwill amortisation (continued)**

The impairment of tangible fixed assets of £0.4m (2007: £nil) on trading units reflects the difference between the value in use of one unit and its carrying value.

**4 Interest receivable and similar income**

| | **Year ended 28 February 2008 £m** | Period ended 1 March 2007 £m |
|---|---|---|
| Bank interest receivable | **0.1** | 0.1 |

**5 Directors' emoluments and employee information**

Staff costs during the year / period were as follows:

| | **Year ended 28 February 2008 £m** | Reclassified Period ended 1 March 2007 £m |
|---|---|---|
| Wages and salaries | **5.5** | 2.5 |
| Social security costs | **0.3** | 0.2 |
| | **5.8** | 2.7 |

Within wages and salaries is £0.9m (2007: £0.3m) of administrative expenses recharged to the Company from a fellow group undertaking, which includes a charge for the services of the Directors of the Company.

Staff costs have been reclassified in the prior year to align the disclosure with that of the Group's.

The average number of employees of the Company during the year / period was:

| | **Year ended 28 February 2008 Number** | Period ended 1 March 2007 Number |
|---|---|---|
| Management | **75** | 83 |
| Operational | **550** | 645 |
| | **625** | 728 |

## 6 Tax on profit on ordinary activities

**(a) Analysis of charge in the year / period**

The taxation charge is based on profits for the year / period and represents:

| | **Year ended 28 February 2008 £m** | Period ended 1 March 2007 £m |
|---|---|---|
| **Current tax** | | |
| UK Corporation tax on profits of the year / period | **0.8** | - |
| Total current tax | **0.8** | - |
| **Deferred tax** | | |
| Origination and reversal of timing differences: | | |
| Current year | - | 1.1 |
| Total deferred tax | - | 1.1 |
| Tax on profit on ordinary activities | **0.8** | 1.1 |

**(b) Factors affecting tax charge for the year**

The tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK. The differences are explained as follows:

| | **Year ended 28 February 2008 £m** | Period ended 1 March 2007 £m |
|---|---|---|
| Profit on ordinary activities before tax | **5.1** | 7.8 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%) | **1.5** | 2.3 |
| **Effects of:** | | |
| Non-deductible exceptional items | **1.1** | (0.4) |
| Capital allowances for period in excess of depreciation | **0.1** | 0.2 |
| Transfer pricing adjustment | - | 0.3 |
| Group relief claimed | **(1.9)** | (2.4) |
| Current tax charge for the year / period | **0.8** | - |

On 21 March 2007, it was announced that the corporation tax rate will reduce from 30% to 28% with effect from 1 April 2008. The legislation to enact this change was substantially enacted at the balance sheet date and so this change has been recognised for deferred tax purposes.

**7 Intangible assets**

| | Trademarks £m | Goodwill £m |
|---|---|---|
| **Cost** | | |
| Brought forward at 2 March 2007 | - | 9.0 |
| Additions from group reorganisation (note 19) | 0.4 | 18.5 |
| Additions – Exeter unit | - | 0.1 |
| Disposals to other group undertakings (note 3) | - | (3.0) |
| **At 28 February 2008** | **0.4** | **24.6** |
| **Accumulated amortisation** | | |
| Brought forward at 2 March 2007 | - | 0.2 |
| Charge for the year | - | 0.4 |
| Disposals to other group undertakings (note 3) | - | (0.2) |
| **At 28 February 2008** | **-** | **0.4** |
| **Net book amount** | | |
| **At 28 February 2008** | **0.4** | **24.2** |
| At 1 March 2007 | - | 8.8 |

On 28 February 2008 various Luminar Group companies sold their operating assets to the Company.

Strobe 3 (formerly Luminar Leisure Limited) sold some of its operating assets to the Company for £7.4m, of which £3.7m of assets were immediately sold onto other Luminar group companies. The fair value of the net assets acquired and retained totalled £1.7m, which generated £2.0m of positive goodwill.

Luminar CRC Limited sold all of its operating assets to the Company for £8.3m. The fair value of the net assets acquired totalled £6.6m, which generated £1.7m of positive goodwill.

Luminar Jaks Limited sold all of its operating assets to the Company for £8.3m, of which £1.6m of assets were immediately sold onto other Luminar group companies. The fair value of the net assets acquired and retained totalled £2.1m, which generated £4.6m of positive goodwill.

Luminar Life Limited sold all of its operating assets to the Company (including its investment in Luminar Brands LP Incorporated) for £4.2m. The fair value of net assets acquired totalled £2.0m (including £1.4m for the investment in Luminar Brands LP Incorporated) which generated £2.2m of positive goodwill.

Luminar Jam House Limited sold all of its operating assets to the Company for £3.3m. The fair value of the net assets acquired totalled £1.1m which generated £2.2m of positive goodwill.

Luminar Lava Ignite Limited sold some of its units to the Company for £7.2m. The fair value of the net assets acquired totalled £1.4m which generated £5.8m of positive goodwill.

The Company also acquired a unit from Luminar Majestik 2 Limited for its net asset value of £7.4m.

During the year the Company acquired a unit in Exeter for £2.2m. The fair value of the net assets acquired totalled £2.1m, which generated £0.1m of positive goodwill.

During the year, the Company disposed of certain units to other Luminar group companies for £8.0m of consideration. A loss of £2.8m has been recorded on these transactions, represented by the goodwill written off in relation to these units. All other assets and liabilities were sold for their book value.

## 8 Tangible fixed assets

| | Freehold land and buildings £m | Long leasehold land and buildings £m | Short leasehold land and buildings £m | Fixtures, fittings, furniture and equipment £m | Total £m |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Brought forward at 2 March 2007 | 5.5 | 5.2 | 26.5 | 15.6 | 52.8 |
| Additions | - | 2.1 | - | 3.5 | 5.6 |
| Acquired from other group undertakings (note 19) | 10.7 | 0.3 | 1.9 | 9.0 | 21.9 |
| Disposals to other group undertakings (note 3) | - | - | (9.0) | (1.4) | (10.4) |
| Transfers to assets held for sale | (1.0) | - | (0.1) | (3.1) | (4.2) |
| **At 28 February 2008** | **15.2** | **7.6** | **19.3** | **23.6** | **65.7** |
| **Accumulated depreciation** | | | | | |
| Brought forward at 2 March 2007 | - | - | 0.7 | 0.9 | 1.6 |
| Charge for the year | 0.1 | 0.2 | 1.7 | 2.2 | 4.2 |
| Impairment | - | - | 0.4 | - | 0.4 |
| Disposals to other group undertakings (note 3) | - | - | (1.9) | (0.3) | (2.2) |
| **At 28 February 2008** | **0.1** | **0.2** | **0.9** | **2.8** | **4.0** |
| **Net book amounts** | | | | | |
| **At 28 February 2008** | **15.1** | **7.4** | **18.4** | **20.8** | **61.7** |
| At 1 March 2007 | 5.5 | 5.2 | 25.8 | 14.7 | 51.2 |

## 9 Investments

| | Shares in group undertakings £m |
|---|---|
| Brought forward at 2 March 2007 | **3.9** |
| Additions | **5.1** |
| **At 28 February 2008** | **9.0** |

On 28 February 2008, Luminar Life Limited sold its operating assets to the Company for a cash consideration of £4.2m, of which £1.4m related to the acquisition of an additional investment in Luminar Brands LP Incorporated.

On the same day, Strobe 3 (formerly Luminar Leisure Limited) sold its investment in Luminar Brands LP Incorporated to the Company for a cash consideration of £3.7m, which represented its fair value.

| | | 28 February 2008 £m | 1 March 2007 £m |
|---|---|---|---|
| **10** | **Stocks** | | |
| | Goods for resale | **0.4** | 0.3 |

| | | 28 February 2008 £m | 1 March 2007 £m |
|---|---|---|---|
| **11** | **Debtors** | | |
| | Amounts owed by group undertakings | **8.0** | 21.0 |
| | Other debtors - due after more than one year | - | 1.6 |
| | - due in less than one year | - | 0.5 |
| | Prepayments and other debtors | **0.5** | 0.4 |
| | | **8.5** | 23.5 |

On 28 February 2008 all group companies assigned their intercompany receivables to Luminar Finance Limited. This resulted in a receivable with Luminar Finance Limited of £17.9m in settlement of receivable amounts from Luminar Lava Ignite Limited of £1.3m and Strobe 3 (formerly Luminar Leisure Limited) of £16.6m.

This assignment of intercompany balances had the effect of changing the company to whom the Company owed its intercompany balances to (see note 12). The Company agreed to offset any payable balance against the receivable balance with Luminar Finance Limited.

On the same day, the Company acquired and immediately disposed of certain units to other Luminar group companies for £5.3m of consideration, which equalled the consideration paid for the units. This debtor amount remains on intercompany account.

On the same day, the Company disposed of certain units to other Luminar group companies for £8.0m of consideration.

In the prior year, the Company became the registered holders of £1.6m of unsecured loan notes to The 3D Entertainment Group Limited. These were redeemable at the earlier of a subsequent sale of the business, refinancing or 2013. Interest at 8% per annum was charged on the loan notes. On 28 February 2008 the Company transferred its loan notes with The 3D Entertainment Group Limited to Luminar Finance Limited for a cash consideration of £1.7m which represented the loan balance plus accrued interest.

The Company has agreed with its group companies to offset any intercompany payables against receivable balances with the same company.

Amounts due from group undertakings are unsecured and repayable on demand. Interest is charged on the loan amount at LIBOR plus a 0.75% margin. Trading balances are non-interest bearing.

## 12 Creditors - amounts falling due within one year

| | 28 February 2008 £m | 1 March 2007 £m |
|---|---|---|
| Amounts owed to group undertakings | **13.8** | - |
| Corporation tax | **0.8** | - |
| Accruals and deferred income | **2.3** | 1.3 |
| Other creditors | **0.1** | - |
| | **17.0** | 1.3 |

On 28 February 2008, Strobe 3 (formerly Luminar Leisure Limited) sold some of its operating assets to the Company for £7.4m and its investment in Luminar Brands LP Incorporated for a cash consideration of £3.7m.

On the same day Luminar CRC Limited, Luminar Jaks Limited, Luminar Life Limited and Luminar Jam House Limited sold all of their operating assets to the Company for £8.3m, £8.3m, £4.2m and £3.3m respectively (see note 7). On the same day, all group companies assigned their intercompany receivables to Luminar Finance Limited. This resulted in these intercompany payables, which totalled £24.1m, being settled and the creation of a new intercompany balance with Luminar Finance Limited for the same amount.

Later on the same day Luminar Lava Ignite Limited sold some of its units to the Company for £7.2m, which remained on intercompany account. Luminar Majestik 2 Limited also sold one of its units to the Company for £7.4m.

The Company has agreed with its group companies to offset any intercompany payables against receivable balances with the same company. Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged on the loan amount at LIBOR plus a 0.75% margin. Trading balances and balances with dormant companies are non-interest bearing.

## 13 Provisions for liabilities

| | Onerous lease provision £m | Deferred tax £m | Public liability claims £m | Total £m |
|---|---|---|---|---|
| Provision at 2 March 2007 | - | 1.1 | 0.1 | 1.2 |
| Charges in the year | - | - | 0.1 | 0.1 |
| Transferred as part of restructure (note 19) | 0.1 | 0.6 | 0.1 | 0.8 |
| **Provision at 28 February 2008** | **0.1** | **1.7** | **0.3** | **2.1** |

Provisions have been calculated for onerous leases, deferred tax and public liability claims.

The £0.1m provision for onerous lease provisions represents the dilapidations cost provided for one unit. This is still to be agreed with the landlord.

Deferred taxation provided for at the year end represents provision at 28% (2007: 30%) on accelerated capital allowances and other timing differences. This change in rate applied reflects the change in the standard rate of UK corporation tax that the deferred tax is expected to reverse at.

Provisions for public liability insurance are made for the estimated exposure of the Company to claim in excess of current insurance reserves, based upon experience of historical claims. The provision is expected to be utilised within two years.

## 14 Called up share capital

| | **28 February 2008** | | 1 March 2007 | |
|---|---|---|---|---|
| | **Number** | **£m** | Number | £m |
| **Authorised:** | | | | |
| Ordinary shares of £1 each | **150,000,000** | **150.0** | 150,000,000 | 150.0 |
| **Allotted, called up, issued and fully paid:** | | | | |
| Ordinary shares of £1 each | **78,727,001** | **78.7** | 78,727,001 | 78.7 |

## 15 Reserves

| | **Profit and loss reserve £m** |
|---|---|
| Brought forward at 2 March 2007 | **6.7** |
| Profit for the year | **4.3** |
| **At 28 February 2008** | **11.0** |

The profit and loss reserve is all distributable.

## 16 Reconciliation of movements in total shareholders' funds

| | **28 February 2008 £m** | 1 March 2007 £m |
|---|---|---|
| Profit for the financial year / period | **4.3** | 6.7 |
| Net increase in total shareholders' funds | **4.3** | 6.7 |
| New share capital subscribed: | | |
| Ordinary £1 shares issued | - | 78.7 |
| Opening total shareholders' funds | **85.4** | - |
| Closing total shareholders' funds | **89.7** | 85.4 |

## 17 Financial commitments

At 28 February 2008 the Company had annual commitments under non-cancellable operating leases as follows:

| | **Land and buildings 28 February 2008 £m** | Land and buildings 1 March 2007 £m |
|---|---|---|
| Expiring between two and five years | **0.3** | 0.1 |
| Expiring in over five years | **3.1** | 3.2 |
| | **3.4** | 3.3 |

For the year ended 28 February 2008, included within commitments expiring in over five years is £0.5m in relation to a lease which is sub-let to a group company.

There are no operating leases included within those expiring in over five years relating to assets transferred to The 3D Entertainment Group Limited on 19 January 2007 (2007: £1.4m). In the prior year the Company recharged these costs to The 3D Entertainment Group Limited as they fell due.

## 18 Related party transactions

In the prior year, various companies within the Luminar group sold certain trade and assets of its units to The 3D Entertainment Group Limited.

At the year end, £0.1m (2007: £0.5m) was owed in respect of capital amounts and other recharges to the Company.

**19 Acquisition of trade and assets**

On 28 February 2008, the Company acquired and retained the following trade and assets relating to certain units transferred from companies within the Luminar Group Holdings plc group:

| | Book value and fair value £m |
|---|---|
| **Fixed assets** | |
| - Trademarks (note 7) | 0.4 |
| - Tangible fixed assets (note 8) | 21.9 |
| - Investments (note 9) | 5.1 |
| | **27.4** |
| **Current assets** | |
| - Stocks | 0.2 |
| - Prepayments and other debtors | 0.2 |
| - Cash | 0.2 |
| | **0.6** |
| **Creditors – amounts falling due within one year** | **(1.2)** |
| **Provisions for liabilities** | |
| Onerous leases (note 13) | (0.1) |
| Public liability (note 13) | (0.1) |
| Deferred tax (note 13) | (0.6) |
| | **(0.8)** |
| **Total net assets acquired** | **26.0** |
| **Positive goodwill (note 7)** | **18.5** |
| | **44.5** |
| **Consideration – intercompany creditors:** | |
| Strobe 3 | 7.4 |
| Luminar CRC Limited | 8.3 |
| Luminar Jaks Limited | 6.7 |
| Luminar Life Limited | 4.2 |
| Luminar Jam House Limited | 3.3 |
| Luminar Lava Ignite Limited | 7.2 |
| Luminar Majestik 2 Limited | 7.4 |
| | **44.5** |

The acquired units contributed £nil to turnover and £nil to operating profit before exceptional items since acquisition.

**20 Capital commitments**

The Company had no capital commitments at 28 February 2008 (2007: £0.7m).

**21 Contingent liabilities**

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

**22 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 the United Kingdom, 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 undertaking is Luminar Dancing (2006) Limited, a company incorporated in the United Kingdom.

During the year Luminar Group Holdings plc replaced the company formerly known as Luminar plc as the listed holding company for the Group.