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COUNTY CLUBS LIMITED
(formerly PLEASURAMA CASINOS LIMITED)

Year ended

31st December 1989



COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Annual report and financial statements for the year ended 31st December 1989

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Directors

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Directors

M.J. Allison
P.H. Hayward
J.V.H. Espey
T.D. Wood
P. Donegan
L. Galea
K.W. Southern
W.J. Taylor
Miss C. Welsh
D.M. Gray

Secretary and registered office

P.H. Hayward, 76 Southwark Street, London, SE1 0PP

Auditors

Stoy Hayward, 8 Baker Street, London, W1M 1DA.

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COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Report of the directors for the year ended 31st December 1989

The directors present their annual report and financial statements for the year ended 31st December 1989.

Principal activities, trading review and future developments

The principal activity of the company is the operation of clubs which provide gaming and restaurant facilities for members and the provision of management services to subsidiary companies in the same trade.

The company continued to trade successfully in the year under review. The directors do not anticipate any immediate or substantial variations in the company's current activities.

On 10th July 1989 the company acquired a casino in Bournemouth.

On 31st December the trade, assets and liabilities of the subsidiaries of the company were transferred to the company at book value.

Results and dividends

The results of the company were as shown in the attached profit and loss account.

The directors recommend a dividend of £22,045 per share (1988 - Nil).

Events since the year end

There have been no events since the balance sheet date which materially affect the position of the company.

Directors and directors' interests

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

A.L. Goodenough (appointed 18th August 1989)
M.J. Allison
P.H. Hayward
J.V.H. Espey
T.D. Wood
P.N. Donegan
L. Galea
K.W. Southern
W.J. Taylor
C. Welsh
D.M. Gray

A.L. Goodenough resigned as a director on 26th June 1990.

None of the directors had any interest in the share capital of the company.

A.L. Goodenough was a director of the ultimate holding company and his interest in the share capital of other group companies is shown in that company's financial statements.

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Report of the directors for the year ended 31st December 1989 (continued)

Directors and directors' interests (Continued)

The interests of the other directors of the company in other group companies are as follows:

Mecca Leisure Group Plc

Mecca Leisure Group plc		Number of shares	
Ordinary shares of 10p each	<u>1989</u>		<u>1988</u>
	Held	Under option	Held
M.J. Allison	169,204	178,389	169,204
P.H. Hayward	-	46,320	9,899
J.V.H. Espey	51,636	37,863	28,000
T.D. Wood	-	60,130	-
P.N. Donegan	11,528	49,617	8,028
L. Galea	-	25,335	-
K.W. Southern	-	10,000	-
W.J. Taylor	-	46,139	-
C. Welsh	-	40,460	-
D.M. Gray	1,771	25,000	-

Convertible preference shares of 20p each

M.J. Allison	231,720	-	241,720
P.H. Hayward	14,142	-	14,142
J.V.H. Espey	21,446	-	40,000
T.D. Wood	-	-	-
P.N. Donegan	16,872	-	11,872
L. Galea	-	-	-
K.W. Southern	-	-	-
W.J. Taylor	-	-	-
C. Welsh	-	-	-
D.M. Gray	2,500	-	-

In addition, J.V.H. Espey, P.N. Donegan and D.M. Gray held 11,807, 5,000 and 10,722 ordinary shares of 5p each in Pleasurama plc at 31st December 1988.

Significant changes in fixed assets

Changes in fixed assets are shown in the notes to the financial statements.

Employment policy

The policy of the company is to give full and fair consideration to applications for employment and to make arrangements for the training of disabled persons having regard to their particular aptitudes and potential and especially to retain, where practical, employees who have become disabled while in the service of the Company. The Company is committed to the development of employee consultation and thereby to their greater involvement in the Company's operation.

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Report of the directors for the year ended 31st December 1989 (continued)

Donations

Donations of £610 were made during the year (1988 - £769).

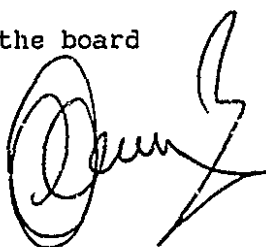
Auditors

The auditors, Stoy Hayward, have indicated their willingness to continue in office and resolutions will be proposed at the forthcoming Annual General Meeting for their reappointment as auditors and to authorise the directors to agree their remuneration.

By order of the board

P.H. Hayward

Secretary

A handwritten signature in dark ink, appearing to be 'P.H. Hayward', written over the printed name.

24th July 1990

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Profit and loss account for the year ended 31st December 1989

	<u>Note</u>	<u>1989</u> £	<u>1988</u> £
Turnover	2	17,156,957	15,437,073
Operating costs		9,715,925	8,274,640
		<u>7,441,032</u>	<u>7,162,433</u>
Administrative expenses		5,168,792	3,773,542
Exceptional item	4	(4,506,869)	-
		<u>(2,234,629)</u>	<u>3,388,891</u>
Other investment income and interest receivable	5	6,723,356	-
Profit on ordinary activities before taxation	6	4,488,727	3,388,891
Taxation on profit on ordinary activities	8	815,457	1,278,450
Profit on ordinary activities after taxation		<u>3,673,270</u>	<u>2,110,441</u>
Dividends	9	(4,409,000)	-
(Loss)/profit for the year		<u>(735,730)</u>	<u>2,110,441</u>

The notes on pages 6 to 13 form part of these financial statements

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Balance sheet at 31st December 1989

	Note	1989 £	1988 £
Fixed assets			
Tangible assets	10	50,761,802	21,352,248
Investments	11	<u>1</u>	<u>2,508,699</u>
		50,761,803	23,860,947
Current assets			
Stocks	12	191,911	105,071
Debtors	13	2,813,515	1,400,095
Cash at bank and in hand		<u>2,911,816</u>	<u>5,764,732</u>
		5,917,242	7,269,898
Creditors			
Amounts falling due within one year	14	<u>24,874,391</u>	<u>15,039,266</u>
Net current liabilities		(18,957,149)	(7,769,368)
Total assets less current liabilities		31,804,654	16,091,579
Provision for liabilities and charges	15	117,447	55,905
		<u>31,687,207</u>	<u>16,035,674</u>
Capital and reserves			
Called up share capital	16	200	200
Revaluation reserve	17	28,814,787	12,427,524
Profit and loss account	17	2,872,220	3,607,950
		<u>31,687,207</u>	<u>16,035,674</u>

M.J. Allison

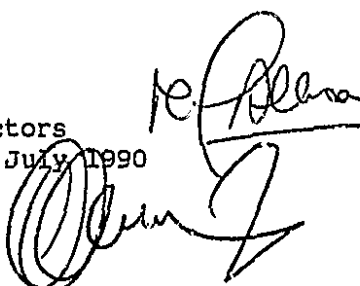
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) Directors

) 24th July 1990

P.H. Hayward

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The notes on pages 6 to 13 form part of these financial statements

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989

1. Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are made up to the nearest Sunday to 31st December, therefore the period covered by these financial statements is the 52 weeks ended 31st December 1989 (1988 - 52 weeks ended 1st January 1989).

The following principal accounting policies have been used:

Turnover

Turnover comprises casino gaming win before deduction of gaming licence duty, membership subscriptions and catering revenue, excluding value added tax.

Depreciation

Fixed assets are depreciated evenly over their expected useful lives at the following rates:

Leasehold properties	- Nil or over the unexpired term of the leases (see note below)
Leasehold improvements	- 25% per annum
Fixtures, fittings and other equipment	- 15% to 20% per annum
Motor vehicles	- 25% per annum

The directors are of the opinion that the programme of maintenance undertaken by the company is sufficient to ensure that the residual value of the company's freehold properties is not less than cost. Accordingly no depreciation is provided for the freehold properties.

No depreciation is provided on the value attributed to the casino gaming licences which are included in the property values.

Stocks

Stocks are valued at the lower of cost or net realisable value.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

Leased assets

Annual rentals in respect of assets financed by operating leases are charged to the profit and loss account as incurred.

2. Turnover and profits

Turnover and profit before taxation is attributable to the one principal activity of the company, which is carried on wholly within the U.K.

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

3. Employees

	<u>1989</u> £	<u>1988</u> £
Staff costs consist of:		
Wages and salaries	6,594,908	5,590,401
Social security costs	<u>547,440</u>	<u>481,131</u>
	<u>7,142,348</u>	<u>6,071,532</u>

The average weekly number of employees during the year was as follows

	Number	Number
Management	64	70
Administration	38	33
Operational	<u>816</u>	<u>771</u>
	<u>918</u>	<u>874</u>

No employees (excluding directors) received remuneration in excess of £30,000 (1988 - None)

4. Exceptional item

	£	£
Provision against the cost of investment in subsidiary companies and amounts due from subsidiary companies	<u>4,506,869</u>	<u>-</u>

The provision has arisen following the transfer of trade assets and liabilities to the company from its subsidiaries.

5. Other investment income and interest receivable

	<u>1989</u> £	<u>1988</u> £
Dividends from subsidiaries	6,678,729	-
Interest receivable	<u>44,627</u>	<u>-</u>
	<u>6,723,356</u>	<u>-</u>

6. Profit on ordinary activities before taxation

This is arrived at after charging/(crediting):

Auditors remuneration	55,000	110,800
Depreciation	502,463	510,098
Directors' emoluments (note 7)	428,679	341,167
Hire of plant and machinery - operating leases	247,997	214,826
Hire of other assets - operating leases	216,000	222,500
Hire of other assets	3,269	796
(Profit)/loss on sale of fixed assets	<u>(6,109)</u>	<u>2,410</u>

COUNTY CLUBS LIMITED (formerly FLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

7. Directors' emoluments

	<u>1989</u> £	<u>1988</u> £
As executives	428,679	341,167
Emoluments (excluding pension contributions) of:		
Chairman	-	-
Highest paid director	111,381	50,000
The number of other directors whose emoluments (excluding pension contributions) fell in the following ranges was:	Number	Number
£ 0 - £ 5,000	-	2
£20,001 - £25,000	-	2
£25,001 - £30,000	4	4
£30,001 - £35,000	3	-
£40,001 - £45,000	-	2
£45,001 - £50,000	-	1
£50,001 - £55,000	2	-
	9	11

8. Taxation on profit on ordinary activities

	£	£
U.K. corporation tax at 35% based on profit for the year (1988 - 35%)	815,451	1,320,972
Transfer from deferred taxation	-	(42,522)
	815,451	1,278,450

9. Dividends

Final proposed dividend of £22,045 per share (1988 - Nil)	4,409,000	-
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COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

10. Tangible assets

	Licences properties and improvements £	Vehicles, fixtures and equipment £	Total £
Cost or valuation			
At beginning of year	20,492,821	1,532,715	22,025,536
Additions	1,792,272	1,231,737	3,024,009
Intergroup transfers	26,289,301	1,488,805	27,778,106
Disposals	-	(48,494)	(48,494)
At end of year	48,574,394	4,204,763	52,779,157
Depreciation			
At beginning of year	-	673,288	673,288
Provided for the year	234,158	298,305	532,463
Intergroup transfers	130,661	716,349	847,010
Disposals	-	(35,406)	(35,406)
At end of year	364,819	1,652,536	2,017,355
Net book value			
At end of year	48,209,575	2,552,227	50,761,802
At beginning of year	20,492,821	859,427	21,352,248
Analysis of cost or valuation			
Professional valuation - 1988	38,356,120	-	38,356,120
- 1985	-	810,662	810,662
Cost	10,218,274	3,394,101	13,612,375
	48,574,394	4,204,763	52,779,157
Analysis of historical cost of revalued assets			
Cost	9,776,449	1,569,920	11,346,369
Aggregate depreciation based on historical cost	(2,571,896)	(1,569,920)	(4,141,816)
Historical cost net book value	7,204,553	-	7,204,553
Net book value of properties is as follows:			
Freehold			22,813,517
Long leasehold			6,191,665
Short leasehold			19,204,393
			48,209,575

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

10. Tangible assets (Continued)

	Contracted for 1989 £	Contracted for 1988 £	Authorised but not contracted 1989 £	Authorised but not contracted 1988 £
Capital commitments	1,450,000	-	2,872,000	2,263,000

11. Investments

	£
Investment in subsidiary companies at cost	
At beginning of year	2,508,698
Additions	1,135,615
Transfers from subsidiary companies	185,991
At end of year	3,830,304
Provisions	
At beginning of year	-
Provided in the year	3,830,303
At end of year	3,830,303
Net book value	
31st December 1989	1
31st December 1988	2,508,698

The following were subsidiary companies at the end of the year.
Name

Sergeant Yorke Casino Limited
Blenheim Casino Limited (incorporated in Scotland)
Soames (Casinos) Limited
Parade Casinos Limited
Rum Runner Casino Limited
Cromford Club (Manchester) Limited
Hove Sporting Club
Macegold Limited
Cigaro Glasgow Limited
Carlton Casino Limited
Property Development (Hull) Limited
Sergeant Yorke (Manchester) Limited
Club Tiberius (Newcastle) Limited
Anglo Continental (Casino) Limited

All subsidiary companies are wholly owned by County Clubs Limited, and are all incorporated in England except where otherwise stated.

Group accounts are not submitted as County Clubs Limited is itself a wholly owned subsidiary of Mecca Leisure Group Plc.

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

12. Stocks	<u>1989</u> £	<u>1988</u> £
Consumables	46,157	28,411
Goods for resale	<u>145,754</u>	<u>76,660</u>
	191,911	105,071
	<hr/>	<hr/>

13. Debtors		
Other debtors	33,571	21,331
Amounts due from group companies	2,316,073	1,251,383
Prepayments	<u>463,871</u>	<u>127,381</u>
	2,813,515	1,400,095
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

14. Creditors falling due within one year	<u>1989</u> £	<u>1988</u> £
Bank overdraft	4,351,642	-
Trade creditors	921,260	212,391
Other creditors	277,684	185,712
Corporation tax	3,699,176	1,351,900
Other taxation and social security	2,131,388	996,700
Amounts due to group companies	12,034,180	11,463,543
Accruals	<u>1,459,061</u>	<u>829,020</u>
	24,874,391	15,039,266
	<hr/>	<hr/>

15. Provision for liabilities and charges

Deferred taxation	<u>1989</u>		<u>1988</u>	
	Unprovided	Provided	Unprovided	Provided
	£	in accounts	£	in accounts
Accelerated capital allowances	-	117,447	-	55,905
	<hr/>	<hr/>	<hr/>	<hr/>

In the opinion of the directors, the majority of the company's properties will be retained for use in the business and the likelihood of any taxation liability crystallising in respect of their valuation is remote. Accordingly the potential deferred taxation in respect of such properties has not been quantified.

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

16. Share capital

	Authorised, issued and fully paid	
	<u>1989</u>	<u>1988</u>
	£	£
Ordinary shares of £1 each	200	200

17. Reserves

	Revaluation reserve £	Profit and loss account £
At beginning of year	12,427,524	3,607,950
Loss for the year	-	(735,730)
Transfer from subsidiary companies	<u>16,387,263</u>	<u>-</u>
At end of year	<u>28,814,787</u>	<u>2,872,220</u>

18. Contingent liabilities

The company has entered into an agreement with certain other subsidiaries of the Mecca Leisure Group to allow the balance on its bank account to be used as a guarantee against overdrafts of any other member of the group which is party to these arrangements.

The company has contingent liabilities in respect of guarantees given to secure the borrowings under the multiple option facility of Mecca Leisure Group plc and its subsidiaries which at 31st December 1989 amounted to £200 million.

The company also has a joint and several contingent liability in respect of VAT payable under the group registration.

19. Holding company

The ultimate holding company is Mecca Leisure Group Plc, a company incorporated in Great Britain and registered in England.

20. Statement of source and application of funds

This statement has not been produced as the company's ultimate holding company is Mecca Leisure Group Plc and its funds are therefore managed as part of that company's group funds. A group statement of source and application of funds is included in the financial statements of Mecca Leisure Group Plc.

COUNTY CLUBS LIMITED (formerly PLEASURAMA CASINOS LIMITED)

Notes forming part of the financial statements for the year ended 31st December 1989
(Continued)

21. Commitments under operating leases

As at 31st December 1989, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other assets	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	£	£	£	£
Operating leases which expire:				
Within one year	24,000	-	-	-
Between two and five years	-	51,500	67,060	-
In five years or more	<u>437,500</u>	<u>171,000</u>	<u>-</u>	<u>-</u>
	461,500	222,500	67,060	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

22. Pension costs

The company participated in a group pension scheme operated by Pleasurama until 1st April 1990 when the scheme was merged with the Mecca scheme. The scheme is of the defined benefit type and its assets are held in a separate trustee administered fund.

The latest actuarial valuation of the Pleasurama scheme was as at 6th April 1989. Particulars of the valuation of the scheme are contained in the Mecca Leisure Group Plc Report and Accounts 1989.

As a result of the merger of the schemes, in the opinion of the directors it is not practicable to allocate the group regular pension cost and surplus arising from the group scheme to the participating companies in a meaningful way. Accordingly, these accounts do not reflect pension costs for the year and pension commitments at the year end as required by Statement of Standard Accounting Practice No. 24.

COUNTY CLUBS LIMITED (formerly PITASURAMA CASINOS LIMITED)

Report of the auditors

To the members of County Clubs Limited

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

As indicated in note 22 the financial statements do not reflect pension costs and commitments as required by Statement of Standard Accounting Practice No. 24.

Except for the matters referred to above in our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1989 and of the result for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

As explained in note 20 on page 12 the financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting practice No. 10.



Stoy Hayward,
Chartered Accountants,
8 Baker Street,
London, W1M 1DA.

24th July 1990