

**THE REAL LIVE LEISURE COMPANY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2004**

**COMPANY REGISTRATION NUMBER 3446630 (England and Wales)**



**THE REAL LIVE LEISURE COMPANY LIMITED**

**COMPANY INFORMATION**

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**DIRECTORS**

M.J. Curley  
J. Billington  
A. Grant  
J.R.H. Curley

**SECRETARY**

J. Billington

**REGISTERED OFFICE**

10 Arley Park,  
Colliers Way, Spring Hill, Arley,  
Coventry CV7 8HN.

**AUDITORS**

Hart Shaw  
Chartered Accountants  
346 Glossop Road  
Sheffield  
S10 2HW

# THE REAL LIVE LEISURE COMPANY LIMITED

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# THE REAL LIVE LEISURE COMPANY LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2004

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The directors present their report and the financial statements for the year ended 28 February 2004.

### Principal activities and review of the business

The principal activity of the company continued to be that of operating aquarium visitor attractions in Bournemouth and the Lake District.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### Results and dividends

The results for the year are set out on page 4.

The directors recommends the payment of an ordinary dividend of £900,000 (2003: £757,333).

### Future developments

The directors are confident that the company will continue to expand its operations and client base in the foreseeable future.

### Directors

The following directors have held office since 1 March 2003:

M.J. Curley  
J. Billington  
A. Grant  
J.R.H. Curley

### Directors' interests

The directors' interest in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	28 February 2004	28 February 2003
M.J. Curley	-	-
J. Billington	-	-
A. Grant	-	-
J.R.H. Curley	-	-

M.J. Curley holds 7.94% (2003: 8.00%) and J.R.H. Curley holds 5.71% (2003: 5.91%) of the shares of MICE Group plc, the company's holding company. Both holdings are inclusive of 3.32% (2003: 3.34%) which are held as trustee and beneficiary respectively. No other director has a significant interest in the shares of the holding company.

## THE REAL LIVE LEISURE COMPANY LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2004

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#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hart Shaw be reappointed auditors of the company will be put to the Annual General Meeting.

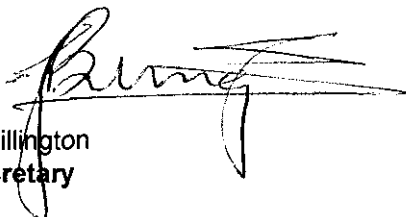
#### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

#### On Behalf of the board



J. Billington  
Secretary

17 May 2004

## THE REAL LIVE LEISURE COMPANY LIMITED

### INDEPENDENT AUDITORS' REPORT

#### TO THE SHAREHOLDERS OF THE REAL LIVE LEISURE COMPANY LIMITED

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We have audited the financial statements of The Real Live Leisure Company Limited on pages 4 to 10 for the year ended 28 February 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for the audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors.**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 the information specified by law regarding directors' remuneration and transactions with the company 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.

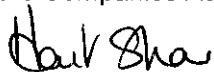
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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, 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 at 28 February 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Hart Shaw**  
Chartered Accountants  
Registered Auditor

**17 May 2004**  
346 Glossop Road  
Sheffield  
S10 2HW

**THE REAL LIVE LEISURE COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 28 FEBRUARY 2004**

		2004 £	2003 £
<b>Turnover</b>	note 2	3,110,705	2,839,782
Cost of sales		(513,121)	(928,354)
<b>Gross profit</b>		<u>2,597,584</u>	<u>1,911,428</u>
Administrative expenses		(1,839,290)	(1,353,717)
<b>Operating profit</b>	note 3	<u>758,294</u>	<u>557,711</u>
Interest payable and similar charges	note 5	(17,490)	-
<b>Profit on ordinary activities before taxation</b>		<u>740,804</u>	<u>557,711</u>
Taxation	note 7	(20,950)	(54,406)
<b>Profit on ordinary activities after taxation</b>		<u>719,854</u>	<u>503,305</u>
Dividends	note 6	(900,000)	(757,333)
<b>Loss on ordinary activities after taxation</b>	note 15	<u><u>(180,146)</u></u>	<u><u>(254,028)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**THE REAL LIVE LEISURE COMPANY LIMITED**

**BALANCE SHEET  
AS AT 28 FEBRUARY 2004**

		2004		2003	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	note 8	<u>4,138,133</u>		<u>3,842,250</u>	
<b>Current assets</b>					
Stocks	note 9	104,613		127,677	
Debtors	note 10	88,461		61,616	
Cash at bank and in hand		<u>288,940</u>		<u>824,589</u>	
		482,014		1,013,882	
<b>Creditors: amounts falling due within one year</b>	note 11	<u>(532,910)</u>		<u>(245,711)</u>	
<b>Net current liabilities</b>		<u>(50,896)</u>		<u>768,171</u>	
<b>Total assets less current liabilities</b>		4,087,237		4,610,421	
<b>Creditors: amounts falling due after more than one year</b>	note 12	(4,073,029)		(4,423,275)	
<b>Provisions for liabilities and charges</b>	note 13	(7,208)		-	
		<u>7,000</u>		<u>187,146</u>	
<b>Capital and reserves</b>					
Called up share capital	note 14	1		1	
Profit and loss account	note 15	6,999		187,145	
<b>Shareholders' funds - equity interests</b>	note 16	<u>7,000</u>		<u>187,146</u>	

The financial statements were approved by the Board on 17 May 2004

J. Billington

Director



## THE REAL LIVE LEISURE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2004

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#### 1. Accounting policies

##### 1.1 Accounting

The financial statements are prepared under the historical cost convention.

##### 1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

##### 1.3 Turnover

Turnover represents the amounts receivable for goods and services net of value added tax and trade discounts

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are depreciated on a straight line basis in order to write off the cost, less residual value of the assets, over their useful economic lives using the following rates:

Long leasehold land and buildings	2.5% per annum
Plant and machinery	10.0 - 20.0% per annum
Motor vehicles	25.0% per annum

##### 1.5 Hire purchase and leasing obligations

Assets obtained under hire purchase contracts and finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### 1.6 Stocks and work in progress

Stocks are valued at the lower of cost and estimated net realisable value

##### 1.7 Pensions

The cost of providing retirement pensions and related benefits in respect of defined contribution schemes is charged to the profit and loss account when incurred. The contributions are held in separately administered funds from the Company's assets.

##### 1.8 Deferred taxation

Full provision is made for deferred taxation except where the timing differences will not reverse in the foreseeable future.

##### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end or, where appropriate, the forward cover rate. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, where appropriate, the forward cover rate. Exchange gains or losses are charged or credited to the profit and loss account for the year.

##### 1.10 Cash flow statement

The company qualifies under Financial Reporting Standard No.1, paragraph 5, for exemption from preparing a cash flow statement as it is a wholly owned subsidiary of a U.K. company which publishes a cash flow statement.

**THE REAL LIVE LEISURE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2004**

**2 Turnover**

The turnover was achieved with clients located in the following markets:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
United Kingdom	3,110,705	2,839,782

**3 Operating profit**

Operating profit is stated after charging:

Depreciation of tangible fixed assets - owned assets

Operating lease rentals

- plant and machinery

- land and buildings

Auditors' remuneration

<b>2004</b>	<b>2003</b>
<b>£</b>	<b>£</b>
349,977	344,705
628	6,243
110,855	113,558
5,500	5,000

**4 Employees**

Office and management

Retail and display

<b>2004</b>	<b>2003</b>
<b>Number</b>	<b>Number</b>
19	15
50	46
69	61

Wages and salaries

Social security costs

Other pension costs

<b>£</b>	<b>£</b>
651,642	584,144
48,231	38,177
13,791	12,015
713,664	634,336

**5 Interest payable**

On bank loans and overdrafts

<b>2004</b>	<b>2003</b>
<b>£</b>	<b>£</b>
17,490	-

**6 Dividends**

Final Dividend Proposed

<b>2004</b>	<b>2003</b>
<b>£</b>	<b>£</b>
900,000	757,333

THE REAL LIVE LEISURE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2004

7	Taxation	2004 £	2003 £
	<b>Current tax charge</b>		
	On profits for the period	1,583	1,431
	Adjustments in relation to prior periods	159	1,975
		<u>1,742</u>	<u>3,406</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	19,208	51,000
	<b>Total tax charge</b>	<u>20,950</u>	<u>54,406</u>
	<b>Tax reconciliation:</b>		
	The total current tax charge is different to the standard rate of corporation tax in the United Kingdom (30%). The material differences are reconciled below:		
	Profit on ordinary activities before taxation	<u>740,804</u>	<u>557,711</u>
	Profit on ordinary activities before taxation multiplied by the UK tax rate of 30%	222,241	167,313
	Non deductible expenses	451	2
	Depreciation	104,993	103,412
	Capital allowances	(102,610)	(132,726)
	Tax losses utilised	(222,575)	(135,750)
	Adjustments in relation to prior periods	159	1,975
	Other tax adjustments	(917)	(820)
	<b>Total current tax</b>	<u>1,742</u>	<u>3,406</u>

8 Tangible Fixed Assets

	Long leasehold land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 March 2003	2,898,924	1,823,709	4,722,633
Additions	604,988	40,872	645,860
At 28 February 2004	<u>3,503,912</u>	<u>1,864,581</u>	<u>5,368,493</u>
<b>Depreciation</b>			
At 1 March 2003	343,439	536,944	880,383
Charge for year	72,468	277,509	349,977
At 28 February 2004	<u>415,907</u>	<u>814,453</u>	<u>1,230,360</u>
<b>Net book value</b>			
At 28 February 2004	<u>3,088,005</u>	<u>1,050,128</u>	<u>4,138,133</u>
At 28 February 2003	<u>2,555,485</u>	<u>1,286,765</u>	<u>3,842,250</u>

**THE REAL LIVE LEISURE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2004**

<b>9 Stocks and work in progress</b>	<b>2004</b>	<b>2003</b>
	£	£
Finished goods for resale	104,613	127,677
<b>10 Debtors</b>	<b>2004</b>	<b>2003</b>
	£	£
Trade debtors	8,540	3,385
Corporation Tax Recoverable	3,254	-
Prepayments and accrued income	76,667	46,231
Deferred tax asset	-	12,000
	88,461	61,616
<b>11 Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	£	£
Trade creditors	202,329	167,260
Amounts due to parent and fellow subsidiary undertakings	244,370	-
Corporation tax	-	3,406
Taxes and social security costs	-	12,400
Accruals and deferred income	86,211	62,645
	532,910	245,711
<b>12 Creditors: amounts falling due after more than one year</b>	<b>2004</b>	<b>2003</b>
	£	£
Amounts due to parent and fellow subsidiary undertakings	4,073,029	4,423,275
<b>Analysis of loans</b>		
Wholly repayable within five years	4,073,029	4,423,275
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	4,073,029	4,423,275
<b>13 Provisions for liabilities and charges</b>	<b>2004</b>	<b>2003</b>
	£	£
Deferred taxation	7,208	-
Movements in the provision for deferred tax is as follows:		
At start of the period	12,000	63,000
Transferred from profit & loss account	(19,208)	(51,000)
At end of the period	(7,208)	12,000
<b>14 Share capital</b>	<b>2004</b>	<b>2003</b>
	£	£
<b>Authorised</b>		
100 Ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each	1	1

**THE REAL LIVE LEISURE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2004**

<b>15 Statement of movements on profit and loss account</b>	<b>Profit and loss account £</b>
Balance At 1 March 2003	187,145
Retained loss for the year	(180,146)
Balance At 28 February 2004	<u>6,999</u>

<b>16 Reconciliation of movements in shareholders' funds</b>	<b>2004 £</b>	<b>2003 £</b>
Profit for the financial period	719,854	503,305
Dividends	(900,000)	(757,333)
	<u>(180,146)</u>	<u>(254,028)</u>
Opening shareholders' funds	187,146	441,174
Closing shareholders' funds	<u>7,000</u>	<u>187,146</u>

**17 Financial commitments**

At 28 February 2004 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings 2004 £</b>	<b>2003 £</b>
Operating lease expiring:		
After more than five years	<u>75,080</u>	<u>77,000</u>
	<u>75,080</u>	<u>77,000</u>

**18 Control**

The company's ultimate holding undertaking is MICE Group plc, a company registered in England and Wales.

Copies of the financial statements of the ultimate holding undertaking can be obtained from MICE Group plc, 10 Arley Park, Colliers Way, Spring Hill, Arley, Coventry CV7 8HN.

**19 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from the requirement to disclose transactions within group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.