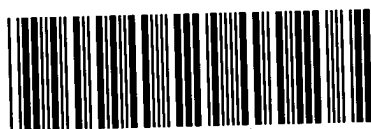


SPORTDALE LIMITED
FINANCIAL STATEMENTS
31 MAY 2015

WEDNESDAY



L4JGYJV3

LD2

04/11/2015

#42

COMPANIES HOUSE

COMPANY INFORMATION

DIRECTORS

V A Tchenguiz
M D Watson

COMPANY NUMBER

04648736 (England and Wales)

REGISTERED OFFICE

5th Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITOR

Baker Tilly UK Audit LLP
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

SOLICITORS

Osborne Clarke
One London Wall
London
EC2Y 5EB

DIRECTORS' REPORT

The directors present their report and the financial statements of Sportdale Limited for the year ended 31 May 2015.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the letting of investment property.

The investment property held at 31 May 2015 was valued as at that date £70,230,000 (2014: £68,790,000) by the directors. The increase in value during the year amounted to £1,440,000 (2014: increase of £4,920,000) as set out in note 7.

In the opinion of the directors the result for the year and the financial position of the company as 31 May 2015 were satisfactory.

DIRECTORS

The following directors have held office since 1 June 2014:

V A Tchenguiz
M D Watson

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the board



Michael Watson
Director

23 October 2015.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 elected to prepare 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTDALE LIMITED

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement on page 3, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

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 31 May 2015 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.

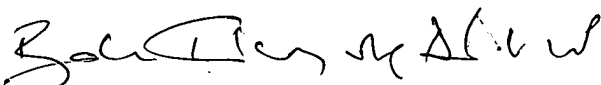
Opinion on other matter prescribed by the Companies Act 2006

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 or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report



Colin Roberts FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3rd Floor

One London Square

Cross Lanes

Guildford

Surrey GU1 1UN

23 OCTOBER 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|--------------------|-------------|
| Turnover | 1 | 4,042,129 | 4,042,129 |
| Other operating expenses | 2 | (417,752) | (38,741) |
| OPERATING PROFIT | | 3,624,377 | 4,003,388 |
| Interest payable and similar charges | 3 | (3,679,018) | (3,684,461) |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | (54,641) | 318,927 |
| Taxation | 6 | (630,539) | (266,487) |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 13 | (685,180) | 52,440 |

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 May 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|------------------|-----------|
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (685,180) | 52,440 |
| Unrealised surplus on revaluation of properties | 7 | 1,440,000 | 4,920,000 |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | | 754,820 | 4,972,440 |

BALANCE SHEET (Company Registration Number: 04648736)
As at 31 May 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|--------------|--------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 70,230,000 | 68,790,000 |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 8 | 88,907 | 13,890 |
| Debtors: amounts falling due after more than one year | 8 | 6,513,126 | 7,394,436 |
| | 8 | 6,602,033 | 7,408,326 |
| Cash at bank and in hand | | 248 | 249 |
| | | 6,602,281 | 7,408,575 |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | (966,622) | (863,412) |
| NET CURRENT ASSETS | | 5,635,659 | 6,545,163 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 75,865,659 | 75,335,163 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 10 | (64,457,656) | (64,681,980) |
| NET ASSETS | | 11,408,003 | 10,653,183 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 1 | 1 |
| Revaluation reserve | 13 | 18,844,241 | 17,404,241 |
| Profit and loss account | 13 | (7,436,239) | (6,751,059) |
| SHAREHOLDERS' FUNDS | 14 | 11,408,003 | 10,653,183 |

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on ~~23 October 2015~~ and are signed on its behalf by:

Michael Watson
Michael Watson
Director

ACCOUNTING POLICIES**Financial statements for the year ended 31 May 2015**

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention with the exception of investment properties which are stated at revalued amounts.

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

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No.19, investment properties are revalued annually on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

DEFERRED TAXATION

Deferred tax 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.

No provision is made for deferred tax on unrealised gains recognised on revaluing the investment property to its market value.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured on a non-discounted basis.

RENT RECEIVABLE

Rental income from investment properties leased out under operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systematic basis as income in the periods in which they are earned.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Lease premiums received are deferred and amortised evenly over the lease term.

CASH FLOW STATEMENT

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS 1.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| 1. TURNOVER | | |
| Rent receivable | 4,019,652 | 4,019,652 |
| Amortisation of lease premium receivable | 22,477 | 22,477 |
| | <u>4,042,129</u> | <u>4,042,129</u> |
| | | |
| | 2015 | 2014 |
| | £ | £ |
| 2. OTHER OPERATING EXPENSES (NET) | | |
| Administrative expenses | 417,752 | 38,741 |
| | <u>417,752</u> | <u>38,741</u> |
| | | |
| | 2015 | 2014 |
| | £ | £ |
| 3. INTEREST PAYABLE AND SIMILAR CHARGES | | |
| Bank loan interest | 3,672,809 | 3,678,252 |
| Amortisation of finance charges | 6,209 | 6,209 |
| | <u>3,679,018</u> | <u>3,684,461</u> |
| | | |
| | 2015 | 2014 |
| | £ | £ |
| 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | |
| Profit on ordinary activities before taxation is stated after charging: | | |
| Auditor's remuneration | 4,320 | 4,255 |
| | <u>4,320</u> | <u>4,255</u> |
| | | |
| 5. EMPLOYEES | | |

There were no employees (2014: Nil) during the year apart from the directors, who received no emoluments.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

| 6. TAXATION | 2015 £ | 2014 £ |
|--|-----------|-----------|
| UK Corporation tax: | | |
| Current tax charge | - | - |
| Deferred tax: | | |
| Adjustment to prior years | 368,161 | - |
| Effects of changes in tax rates and laws | - | 177,764 |
| Deferred tax charge current year | 262,378 | 88,723 |
| Total deferred tax | 630,539 | 266,487 |
| Tax on profit on ordinary activities | 630,539 | 266,487 |
| Factors affecting tax charge for the year | | |
| (Loss)/Profit on ordinary activities before taxation | (54,641) | 318,927 |
| (Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014: 23%) | (10,928) | 73,353 |
| Effects of: | | |
| Tax losses utilised | (262,378) | (88,723) |
| UK transfer pricing | 17,802 | 20,540 |
| Other tax adjustments | (4,496) | (5,170) |
| Group relief surrendered | 260,000 | - |
| | 10,928 | (73,353) |
| Current tax charge for the year | - | - |

7. TANGIBLE FIXED ASSETS

| | Investment properties £ |
|-----------------------|-------------------------------|
| Valuation: | |
| At 1 June 2014 | 68,790,000 |
| Revaluation surplus | 1,440,000 |
| At 31 May 2015 | 70,230,000 |

The property was valued as at 31 May 2015 at £70,230,000 (2014: £68,790,000) by the directors based on reports provided to them by Chartered Surveyors employed by the group's in house management company.

The original cost of the property was £51,385,759 (2014: £51,385,759).

Investment property at net book value comprises:

| | 2015 £ | 2014 £ |
|----------------|------------|------------|
| Long leasehold | 70,230,000 | 68,790,000 |

The company has the option to acquire the freehold interest for £10 exercisable at any time after 30 April 2028.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

| 8. | DEBTORS | 2015 | 2014 |
|-----|---|-------------------|-------------------|
| | | £ | £ |
| | Amounts owed by group undertakings | 1 | 1 |
| | Amounts owed by related undertakings | 5,811,744 | 6,056,289 |
| | Other debtors | 82,680 | 7,680 |
| | Prepayments and accrued income | 128,126 | 134,335 |
| | Deferred tax asset (see note 11) | 579,482 | 1,210,021 |
| | | <u>6,602,033</u> | <u>7,408,326</u> |
| | Amounts falling due after more than one year and included in the debtors above are: | | |
| | Amounts owed by related undertakings | 5,811,744 | 6,056,289 |
| | Prepayments and accrued income | 121,900 | 128,126 |
| | Deferred tax asset (see note 11) | 579,482 | 1,210,021 |
| | | <u>6,513,126</u> | <u>7,394,436</u> |
| 9. | CREDITORS – amounts falling due within one year | 2015 | 2014 |
| | | £ | £ |
| | Loan (see note 10) | 201,846 | 97,993 |
| | Accruals and deferred income | 764,776 | 765,419 |
| | | <u>966,622</u> | <u>863,412</u> |
| 10. | CREDITORS – amounts falling due after more than one year | 2015 | 2014 |
| | | £ | £ |
| | Loan | 64,071,794 | 64,273,640 |
| | Accruals and deferred income | 385,862 | 408,340 |
| | | <u>64,457,656</u> | <u>64,681,980</u> |
| | Loan maturity analysis: | | |
| | In more than one year but not more than two years | 516,515 | 201,846 |
| | In more than two years but not more than five years | 1,737,460 | 1,641,693 |
| | In more than five years | 61,817,819 | 62,430,101 |
| | | <u>64,071,794</u> | <u>64,273,640</u> |

The Loan is repayable by instalments by 2036 and bears interest at 5.71% per annum. It is secured by a fixed and floating charge over the company's investment property and by a fixed charge over the company's bank accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

11. DEFERRED TAXATION

The deferred tax asset (included in debtors, note 8)
is made up as follows:

| | £ |
|-------------------------------------|----------------|
| Balance at 1 June 2014 | 1,210,021 |
| Transfer to profit and loss account | (630,539) |
| Balance at 31 May 2015 | 579,482 |

| | 2015 £ | 2014 £ |
|----------------------|-----------|-----------|
| Tax losses available | 579,482 | 1,210,021 |

No provision for deferred taxation has been made in respect of the property held as an investment which is included in these financial statements at a valuation of £70,230,000 (2014: £68,790,000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £Nil (2014: £Nil).

12. SHARE CAPITAL

| | 2015 £ | 2014 £ |
|----------------------------------|-----------|-----------|
| Allotted, issued and fully paid: | | |
| Equity shares: | | |
| 1 Ordinary share of £1 each | 1 | 1 |

13. RESERVES

| | Revaluation reserve £ | Profit and loss account £ |
|-------------------------------|-----------------------------|---------------------------------|
| Balance at 1 June 2014 | 17,404,241 | (6,751,059) |
| Loss for the year | - | (685,180) |
| Revaluation for the year | 1,440,000 | - |
| Balance at 31 May 2015 | 18,844,241 | (7,436,239) |

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2015 £ | 2014 £ |
|--------------------------------------|------------|------------|
| (Loss)/Profit for the financial year | (685,180) | 52,440 |
| Other recognised gains and losses | 1,440,000 | 4,920,000 |
| Net increase in shareholders' funds | 754,820 | 4,972,440 |
| Opening shareholders' funds | 10,653,183 | 5,680,743 |
| Closing shareholders' funds | 11,408,003 | 10,653,183 |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

15. CONTROL

The company's immediate holding company is Wellzone Limited, a company incorporated in the United Kingdom.

The directors regard the ultimate holding company to be Sunnymist Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

16. RELATED PARTY TRANSACTIONS

The company is related to other companies controlled by the Tchenguiz Family Trust. At the balance sheet date, and included within Amounts owed by related undertakings is £5,811,744 (2014: £6,056,289) due from one such company, Vincos Limited.

At the balance sheet date, and included in Amounts owed by group undertakings, £1 (2014: £1) was due from Wellzone Limited.

No interest accrues on these related party balances.

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 "Related Party Disclosures" and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.