

**Megabowl Limited (Formerly Songbridge Ltd)**

**Report & Accounts**

**For the period from Incorporation on 30 July 1999 to 30 June 2000**

**Registration Number: 3817414**



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# **MEGABOWL LIMITED**

## **REPORT OF THE DIRECTORS**

The Directors present their report for the period ended 30 June 2000.

### **Directors and Their Interests**

N G Goulden (appointed 7 September 1999, resigned 31 January 2001)  
J M Scott (appointed 7 September 1999)  
D Barrett (appointed 7 September 1999)  
M Nicholls (appointed 7 September 1999)  
C J Storr (appointed 23 June 2000)  
P A Boddy (appointed 1 December 2000)  
B Pate (appointed 1 December 2000)  
N T Young (appointed 7 September 1999, resigned 1 December 2000)  
M E Richards (appointed 30 July 1999, resigned 13 August 1999)  
P J Charlton (appointed 30 July 1999, resigned 13 August 1999)  
I Edward (appointed 13 August 1999, resigned 7 September 1999)  
P L Taylor (appointed 13 August 1999, resigned 7 September 1999)

The names of the Directors who served during the period are stated above. There were no significant transactions during the period in which a Director had a material interest. None of the Directors had any interest in the shares of Megabowl Limited at the period end.

### **Principal Activities**

The Company's primary activities are the ownership and operation of ten-pin bowling based family entertainment centres.

On 30 August 1999, Megabowl Limited acquired the trade and assets of the Family Entertainment Division of First Leisure PLC. This consisted of 29 ten-pin bowling centres. On 13 December 1999, the Company also acquired the trade and assets of 29 ten-pin bowling centres from Allied Leisure PLC. Further information about these acquisitions are given in notes 9(a) and (b).

### **Company Name**

The Company was incorporated on 30 July 1999 as Songbridge Limited. On 15 December 1999 the Company changed its name to Megabowl Limited.

### **Results and Dividends**

The Company made a loss for the financial period of £560,000 which has been transferred to the profit and loss account. The Directors recommend that no dividend be paid to shareholders.

### **Fixed Assets**

Information concerning the fixed assets held by the Company are shown in notes 7 and 8 of the accounts.

### **Training and Employee Participation**

All staff are provided with training in the specific skills and methods required for their work. The nature and extent of this training varies with the complexity of the work which the employees are expected to perform. Employees or their representatives are provided with information and consulted on matters which are likely to concern them as employees. This includes arrangements for securing health, safety and welfare at work, and the encouragement of achieving awareness of financial and economic matters.

### **Auditors**

The Company appointed PricewaterhouseCoopers as first auditors of the Company. PricewaterhouseCoopers has expressed its willingness to continue in office as auditor and the resolution authorising the Directors to reappoint PricewaterhouseCoopers and determine their remuneration will be submitted to the Annual General Meeting.

# MEGABOWL LIMITED

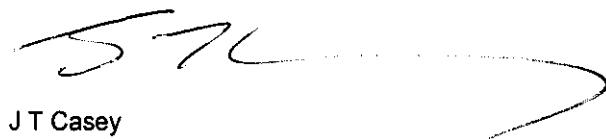
## REPORT OF THE DIRECTORS (continued)

### Post Balance Sheet Events

On 21 September 2000, Georgica PLC announced an offer to acquire the entire issued share capital of Allied Leisure PLC, the Group's 50% shareholder. Georgica is a newly formed public company established for the purpose of making the offer, and is listed on the AIM market. The offer became wholly unconditional on 9 October 2000.

On 20 December 2000 the Group's existing bank loan facility with Deutsche Bank was replaced with a new facility led by Royal Bank of Scotland ("RBS"). The new facility is for £62,000,000, with RBS holding £40,000,000 and Deutsche Bank retaining £22,000,000. The facility comprises £52,000,000 senior term debt and £10,000,000 of revolving credit facilities. The loan is repayable in instalments over the period to 30 June 2007 and is secured by fixed and floating charges over the Group's assets. The debt is repayable at variable interest rates based on LIBOR plus a commercial margin.

On behalf of the Board



J T Casey  
Company Secretary  
1 February 2001

## **Megabowl Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report. As described below, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. United Kingdom company law requires the Directors to prepare financial statements for each financial year 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

## Report of the auditors to the members of Megabowl Limited

We have audited the financial statements on pages 5 to 17.

### Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.


### Basis of audit opinion

We conducted our audit in accordance with 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 or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 June 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London  
1 February 2001

## Megabowl Limited (formerly Songbridge Limited)

### Profit & Loss Account

for the eleven months ended 30 June 2000

	Note	Before Exceptional items £000	Exceptional items £000	Total £000
Turnover		55,729	-	55,729
Cost of sales		(19,913)	-	(19,913)
Gross profit		35,816	-	35,816
Administrative expenses	2(a)	(26,314)	(258)	(26,572)
<b>Total operating profit</b>	(1)	9,502	(258)	<b>9,244</b>
Profit on sale of fixed assets	2(b)	-	1,112	1,112
<b>Profit on ordinary activities before interest and tax</b>		9,502	854	<b>10,356</b>
Net interest payable	5	(10,916)	-	(10,916)
<b>Loss on ordinary activities before tax</b>		(1,414)	854	<b>(560)</b>
Tax on loss on ordinary activities	6	-	-	-
<b>Loss for the financial period</b>		(1,414)	854	<b>(560)</b>

The Company had no recognised gains and losses during the period other than those reflected in the above Profit and Loss Account.

All turnover and operating profit for the period relates to the acquired businesses, which are continuing operations.


# Megabowl Limited (formerly Songbridge Limited)

## Balance Sheet

at 30 June 2000

	Note	2000 £000	2000 £000
<b>Fixed assets</b>			
Intangible assets	7		13,414
Tangible assets	8		<u>123,683</u>
			137,097
<b>Current assets</b>			
Stocks	10	2,008	
Debtors	11	7,468	
Cash at bank and in hand		<u>13,672</u>	
		23,148	
<b>Creditors: amounts falling due within one year</b>	13	<u>(82,248)</u>	
<b>Net current liabilities</b>			<u>(59,100)</u>
<b>Total assets less current liabilities</b>			77,997
<b>Creditors: amounts falling due after more than one year</b>	14	(76,532)	
<b>Provisions for liabilities and charges</b>	16	<u>(2,025)</u>	
			(78,557)
<b>Net liabilities</b>			<u>(560)</u>
<b>Capital and reserves</b>			
Called up share capital	17		-
Profit and loss account	18		<u>(560)</u>
<b>Shareholders' funds – equity interests</b>			<u>(560)</u>

These financial statements on pages 5 to 17 were approved by the Board on 1 February 2001 and signed on its behalf by:



**C J Storr**  
Finance Director

# **Megabowl Limited (formerly Songbridge Limited)**

## **Statement of Accounting Policies**

for the eleven months ended 30 June 2000

### **Accounting policies**

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets, and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### **Turnover**

Turnover represents sales of goods and services to outside customers as part of the Company's ordinary activities after deducting value added tax. The Company operates in one principal segment, the ownership and operation of bowling led family entertainment centres. All turnover arises in the UK.

#### **Taxation**

There is no charge for taxation due to the loss in the period. Provision for deferred tax is made only to the extent that it is probable that an actual liability will crystallise within the foreseeable future.

#### **Fixed Assets**

Fixed assets acquired on acquisition are recorded at their valuation. All other fixed assets are recorded at cost.

#### **Depreciation and amortisation**

Depreciation is provided to write-off the cost, less estimated residual values, of all fixed assets except freehold land evenly over their expected useful lives. No finance costs are included in cost. It is calculated at the following rates:

Freehold buildings	50 years
Short and long leasehold premises	Period of lease
Plant and machinery:	
Air conditioning	Period of lease
Bowling lanes	20 years
Other	1 – 10 years
Motor Vehicles	4 years

#### **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised over its useful economic life. Each acquisition is assessed to determine the useful economic life of the goodwill and the economic life of this goodwill is reviewed annually and revised where appropriate.

Where the useful economic life does not exceed 20 years, goodwill is subject to an impairment review at the end of the first full year of acquisition and at any other time if the Directors believe that an impairment may have occurred. Where goodwill is assigned a useful economic life which is in excess of 20 years or is indefinite, the value of the goodwill will be assessed for impairment against carrying values on an annual basis in accordance with FRS 11. Any impairment is charged to the profit and loss account in the period in which it arises.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less further costs to completion and disposal.

#### **Pensions**

The Company makes contributions into Directors' and selected senior management's personal pensions. These are expensed in the period to which they relate.



## **Megabowl Limited (formerly Songbridge Limited)**

### **Statement of Accounting Policies**

for the eleven months ended 30 June 2000

#### **Operating Leases**

Rentals paid in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

#### **Capital instruments**

Borrowings are initially stated at the amount of the consideration received after deduction of issue costs.

Finance costs are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding.

#### **Financial instruments**

Derivative financial instruments are used by the Company for the management of interest rate exposures. Amounts payable or receivable in respect of interest rate cap agreements are deferred in prepayments and are recognised as adjustments to the interest expense over the period of the contracts.

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 1. Operating profit

	2000 £000
Operating profit is stated after charging/(crediting):	
Depreciation and amortisation of tangible and intangible assets	3,736
Hire of plant and machinery – operating leases	447
Property rentals – operating leases	5,291
Exceptional costs (note 2(a))	258
Staff costs (note 3)	6,213
Auditor's remuneration – audit services	39
– non-audit services	15

In addition to the above, fees paid to the Company's auditors for non-audit services relating to the sale and acquisition of businesses amounted to £756,401.

### 2. Exceptional Items

#### (a) Exceptional costs within administrative expenses

	2000 £000
Costs incurred in the integration of the bowling businesses acquired from First Leisure Corporation and Allied Leisure PLC.	258

#### (b) Profit on sale of fixed assets

	2000 £000
Profit on sale of fixed assets	1,112

The profit on sale of fixed assets relates to the Sheffield Bowl, a unit originally acquired as part of the First Leisure acquisition, which was sold on 18 February 2000.

### 3. Employees

The average monthly number of employees of the Group during the period, including executive Directors, was as follows:

	2000 Number
<b>Staff numbers</b>	
Weighted average number of employees by activity:	
Staff	854
Administration	14
Unit management	299
	1,167

Staff costs for all employees, including executive Directors, consists of:

	2000 £000
Wages and salaries	5,759
Social welfare costs	424
Other pension costs	30
	6,213

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 4. Directors' remuneration

	2000 £000
<b>Executive Directors</b>	
Remuneration and fees for management services	232
Performance related bonus	4
Benefits in kind	6
<b>Aggregate emoluments</b>	<b>242</b>
Contributions into personal pensions	15
	<b>257</b>
<b>Non-executive Directors</b>	
Remuneration and fees for management services	37
	<b>37</b>

The highest paid director's aggregate emoluments amount to £83,308. Company contributions to his personal pension amount to £15,421.

Messrs Goulden, Scott and Taylor do not receive any remuneration from the Company for duties performed. The cost of their time is instead recharged to the Company by Allied Leisure PLC and Duke Street Capital through their management charges (note 21). Included in the above is an apportionment of their time for the period amounting to £172,000.

### 5. Net interest payable

	2000 £000
Loan interest payable	4,339
Bank charges payable	188
Finance costs	323
Interest payable to related parties	6,968
Other interest payable	30
<b>Interest payable</b>	<b>11,848</b>
<b>Interest receivable</b>	<b>(932)</b>
<b>Net interest payable</b>	<b>10,916</b>

### 6. Taxation

There is no tax charge in respect of the loss in the current period. There is a potential deferred tax asset arising from deferred capital allowances. This has not been recognised in these accounts.

### 7. Intangible fixed assets

	£000
<b>Goodwill</b>	
<b>Cost</b>	
Acquisition of First Leisure Corporation Family Entertainment Division (note 9(a))	1,653
Acquisition of Allied Leisure Bowls (note 9(b))	11,761
<b>At 30 June 2000</b>	<b>13,414</b>
<b>Amortisation</b>	
<b>At 30 June 2000</b>	<b>-</b>
<b>Net book value</b>	
<b>At 30 June 2000</b>	<b>13,414</b>

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 7. Intangible fixed assets (continued)

In the view of the Directors, the goodwill arising on the acquisition of the bowling businesses has an indefinite life because of the stability of the market for bowling-based leisure sites in the UK, the proven ability of the Megabowl brand name to maintain market leadership and profitable operation over long periods of time and the Company's intention to protect, develop and enhance the brand value. The carrying value of this goodwill will be reviewed annually for impairment and adjusted to the recoverable amount if required.

The financial statements depart from the specific requirement of Companies' legislation to amortise goodwill over a finite period in order to give a true and fair view. The Directors consider this to be necessary for the reasons given above. The impact of this departure cannot be quantified because of the indefinite life of this intangible asset.

### 8. Tangible fixed assets

	Freehold land and Buildings £000	Long leasehold premises £000	Short leasehold premises £000	Plant, machinery and cars £000	Total £000
<b>Cost or valuation</b>					
Additions from acquisitions	24,130	5,429	58,040	38,318	125,917
Additions	1,067	-	790	3,301	5,158
Disposals	(1,106)	-	-	(2,567)	(3,673)
<b>At 30 June 2000</b>	<b>24,091</b>	<b>5,429</b>	<b>58,830</b>	<b>39,052</b>	<b>127,402</b>
<b>Depreciation</b>					
Provision for the period	241	68	1,474	1,953	3,736
Disposals	(8)	-	-	(9)	(17)
<b>At 30 June 2000</b>	<b>233</b>	<b>68</b>	<b>1,474</b>	<b>1,944</b>	<b>3,719</b>
<b>Net book value</b>					
<b>At 30 June 2000</b>	<b>23,858</b>	<b>5,361</b>	<b>57,356</b>	<b>37,108</b>	<b>123,683</b>

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 9. Acquisitions and disposals

#### (a) Acquisition of First Leisure PLC Family Entertainments Division

On 30 August 1999, Megabowl Limited ("Megabowl") acquired the trade and assets of the Family Entertainment Division of First Leisure PLC. The business combination has been accounted for as an acquisition.

#### Analysis of the acquisition

#### Net assets at the date of acquisition

	Book value (viii) £000	Consistency of accounting policies £000	Fair value to Group £000	See note below £000
Tangible fixed assets (note 8)	85,394	-	85,394	(i)
Stocks	2,599	(2,193)	406	(ii)
Debtors	777	-	777	
Assets held for resale (note 12)	3,250	-	3,250	(iii)
Cash at bank and in hand	405	-	405	
Creditors	(268)	-	(268)	
	<u>92,157</u>	<u>(2,193)</u>	<u>89,964</u>	
Net assets			89,964	
Goodwill arising on acquisition (note 7)			<u>1,653</u>	
			<u>91,617</u>	
Satisfied by:				
Cash			86,338	
Creditor outstanding			1,142	(vi)
Costs associated with the acquisition			<u>4,137</u>	(vii)
			<u>91,617</u>	

#### Notes

- (i) Certain assets have been reclassified as assets held for resale.
- (ii) First Leisure included some items as stocks for which it is the Group's policy to write off.
- (iii) The fair value of assets held for resale are included at estimated net disposal proceeds.
- (iv) All properties were independently valued at 30 August 1999; the valuations were based on current market values at that date.
- (v) The figures shown in the fair value table above are provisional estimates, and may be subject to revision in the year 2000/01 accounts. Any adjustments made will be reflected in the goodwill calculation.
- (vi) £1,141,677 is still due to First Leisure from Megabowl at the period end and is included within creditors (Note 13)
- (vii) £1,050,000 of the stamp duty cost associated with the acquisition is still outstanding at the period end and is therefore included in creditors (Note 13).
- (viii) It has not been possible to ascertain the book value of tangible fixed assets at the date of acquisition as First Leisure did not provide this information. Consequently, it has been assumed that the book value is equal to the fair value subject to the reclassification of certain assets as assets held for resale.

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 9. Acquisitions and disposals (continued)

#### Summary Profit and Loss Account for Family Entertainment Division

	Period from 1 Nov 1998 to 29 August 1999 £000	Year ended 31 Oct 1998 £000
Turnover	45,269	44,298
Operating profit and profit before tax	11,695	13,183

The interest and taxation affairs of the division were treated integrally with the remainder of First Leisure's trading units and thus no meaningful allocation of interest or tax can be made.

#### (b) Acquisition of bowling business of Allied Leisure PLC

On 12 December 1999, Megabowl Limited acquired the trade and assets of 29 ten-pin bowling centres from Allied Leisure. The business combination has been accounted for as an acquisition.

#### Analysis of the acquisition

#### Net assets at the date of acquisition

	Book value £000	Revaluation £000	Other adjustments £000	Fair value to Group £000	See note below £000
Tangible fixed assets (note 8)	40,571	(48)	-	40,523	(ix)
Stocks	1,124	(48)	-	1,076	(x)
Debtors	1,691	-	-	1,691	
Cash at bank and in hand	129	-	-	129	
Creditors	(409)	-	-	(409)	
Provision for onerous contracts	-	-	(2,359)	(2,359)	(xi)
	43,106	(96)	(2,359)	40,651	
Net assets				40,651	
Goodwill arising on acquisition (note 7)				11,761	
				52,412	
Satisfied by:					
Cash				50,559	
Costs associated with the acquisition				1,853	(xii)
Total				52,412	

#### Notes

- (ix) Revaluation of tangible fixed assets by the Directors to an appropriate fair value to the Company.
- (x) Value of stock acquired valued under the Company's normal stock policy.
- (xi) Provision has been made for the difference between the current market rent and that passing on leasehold units (note 16).
- (xii) £450,000 of the stamp duty cost associated with the acquisition is still outstanding at the period end and is therefore included in creditors (Note 13).
- (xiii) The figures shown in the fair value table above are provisional estimates, and may be subject to revision in the year 2000/01 accounts. Any adjustments made will be reflected in the goodwill calculation.

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 9. Acquisitions and disposals (continued)

#### Summary Profit and Loss Account for Megabowl Division of Allied Leisure

	Period from 1 Jul 1999 to 12 Dec 1999 £000	Year ended 30 June 1998 £000
Turnover	16,450	35,674
Operating profit and profit before tax	2,671	7,296

The interest and taxation affairs of the division were treated integrally with the remainder of Allied Leisure's trading units and thus no meaningful allocation of interest or tax can be made.

### 10. Stocks

	2000 £000
Consumables	2,008

There is no material difference between the replacement cost of stocks and their balance sheet values.

### 11. Debtors

	2000 £000
Trade debtors	2,233
Amounts owed by related parties	1,368
Other prepayments and accrued income	2,455
Other debtors	1,412
	7,468

### 12. Assets held for resale

	£000
Acquisition of First Leisure PLC Family Entertainment Division (note 9 (a))	3,250
Net proceeds	(3,250)
At 30 June 2000	-

Assets held for resale consist of those businesses acquired, following the acquisition of the Family Entertainments Division of First Leisure PLC. The Megabowl unit in Aintree was disposed of in October 1999. As this business was acquired with the intention of resale, it was included in the fair value table at their net disposal proceeds, accordingly there was no profit or loss arising on these disposals.

### 13. Creditors – amounts falling due within one year

	2000 £000
Bank loans (Note 15)	2,597
Trade creditors	2,597
Amounts owed to related parties	65,476
Other tax and social security	1,699
Accruals and other creditors	9,879
	82,248

# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 14. Creditors – amounts falling due after more than one year

	2000 £000
Bank loans (Note 15)	54,969
Mezzanine debt (Note 15)	21,000
Accruals and other creditors	563
	<u>76,532</u>

### 15. Bank Loans & Borrowings

	2000 £000
<b>Bank loans and other loans</b>	
Within 1 year	2,597
Within 1 – 2 years	4,817
Within 2 – 5 years	25,586
After 5 years	45,566
	<u>78,566</u>

The Company has given cross guarantees in respect of loans of other group undertakings. At 30 June 2000 the Company had liabilities which fall due as follows:

	2000 £000
<b>Loans</b>	
Bank loans falling due within one year	3,064
Bank loans falling after more than one year	56,843
Mezzanine debt	21,000
Unamortised bank finance costs	(2,341)
	<u>78,566</u>

Bank loans and finance house loans are secured by fixed and floating charges over the Company's assets. All of the debt at 30 June 2000 is repayable at variable interest rates based on LIBOR plus a commercial margin.

### Mezzanine Debt

The Mezzanine debt is held by Duke Street Capital funds and is repayable on 13 December 2009. Interest is payable on this loan at 12.38%.

### 16. Provision for liabilities and charges

	Provision for onerous contracts £000
Arising on acquired businesses (note 9(b))	2,359
Utilisation in the period	(334)
<b>At 30 June 2000</b>	<u>2,025</u>

The provision for liabilities and charges represent provision made for the difference between current market rent and that passing on leasehold units, covering the expected period of onerous commitment. The timing of expected cash outflows is estimated at two years.

Provision has been made where rental is considered to be at a variant from market rates as permitted by FRS 7 (Note 9(b)), based on the Directors' best estimate on a unit by unit basis, covering the expected period of possession.

The Directors consider the impact of discounting to be immaterial.



# Megabowl Limited (formerly Songbridge Limited)

## Notes forming part of the Financial Statements

### 17. Share capital

	2000 £
<b>Authorised</b>	
100 ordinary shares of £1 each	100
<b>Allotted, called up and fully paid</b>	
1 ordinary shares of £1 each	1

### 18. Reconciliation of movements in reserves and shareholders' funds

	Profit and loss account £000	Total shareholders' funds £000
Loss for the period	(560)	(560)
Issue of ordinary shares	-	-
<b>At 30 June 2000</b>	<b>(560)</b>	<b>(560)</b>

### 19. Capital Expenditure Commitments

At 30 June 2000 the Company had capital expenditure contracted for but not provided in these accounts of £780,000.

### 20. Operating lease commitments

At 30 June 2000 the Company was committed to the following lease payments for the year ended 30 June 2001, in respect of leases which expire as follows:

	2000	
	Land and buildings £000	Other £000
Within 12 months	-	171
Between 2-5 years	510	1,003
After 5 years	10,446	-
	<b>10,956</b>	<b>1,174</b>

## **Megabowl Limited (formerly Songbridge Limited)**

### **Notes forming part of the Financial Statements**

#### **21. Related Parties**

During the period, the company was charged £1,828,000 by Allied Leisure PLC for accounting and management services which Allied Leisure has provided to the Group. At 30 June 2000, £1,156,000 of these fees remain unpaid.

During the period, the Company was charged £16,000 by Duke Street Capital as an apportionment of Mr Taylor's time in providing management services as a Director of the Group. £5,000 of these fees were outstanding at the period end and are included in Trade Creditors.

£400,000 was paid to Edward Associates Ltd during the period for advising on the acquisitions. Edward Associates Ltd is owned by Ian Edward, a non-executive director of Megabowl Group Ltd.

Alice Limited, which is a wholly-owned subsidiary of Allied Leisure PLC, provides machine management services to the Company. During the period, Alice was charged £1,172,000 for machine space rentals. The whole of this amount was outstanding at the period end, and is included in debtors.

#### **22. Ultimate Holding Company and Controlling Parties**

The immediate parent is Pondtrail Ltd. The ultimate holding company and controlling party is Megabowl Group Limited, a company incorporated in England and Wales. Megabowl Group Limited is owned equally by Allied Leisure PLC and funds managed by Duke Street Capital. On 9 October 2000, Georgica PLC acquired the entire issued share capital of Allied Leisure PLC. The consolidated accounts of Megabowl Group Limited can be obtained from:

Company Secretary  
Megabowl Group Limited  
Charnwood Mill  
Sileby Road  
Barrow-upon-Soar  
Leicestershire  
LE12 8LR

#### **23. Post Balance Sheet Events**

On 21 September 2000, Georgica PLC announced an offer to acquire the entire issued share capital of Allied Leisure PLC, the Group's 50% shareholder. Georgica is a newly formed public company established for the purpose of making the offer, and is listed on the AIM market. The offer became wholly unconditional on 9 October 2000.

On 20 December 2000 the Group's existing bank loan facility with Deutsche Bank was replaced with a new facility led by Royal Bank of Scotland ("RBS"). The new facility is for £62,000,000, with RBS holding £40,000,000 and Deutsche Bank retaining £22,000,000. The facility comprises £52,000,000 senior term debt and £10,000,000 of revolving credit facilities. The loan is repayable in instalments over the period to 30 June 2007 and is secured by fixed and floating charges over the Group's assets. The debt is repayable at variable interest rates based on LIBOR plus a commercial margin.