

Chelsea Leisure Services Limited

**Directors' report and financial
statements**

Registered number 2450608

30 June 2012

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Directors' report

The Directors present their annual report and audited financial statements for the year ended 30 June 2012

Principal activities

The Company's principal activity during the year continued to be that of a leisure services company

Results and dividends

The results for the year are set out on page 5. The Directors do not recommend payment of a dividend for the financial year (2011 £nil)

Directors

Directors who held office during the year are as follows

A L Shaw
C I Alexander

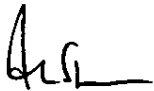
Disclosure of information to auditor

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office

By order of the Board



A L Shaw
Secretary

Stamford Bridge
Fulham Road
LONDON
SW6 1HS

22 March 2013

Statement of Directors' responsibilities in respect of the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

Edward VII Quay
Navigation Way
Preston
PR2 2YF

Independent auditor's report to the members of Chelsea Leisure Services Limited

We have audited the Financial Statements of Chelsea Leisure Services Limited for the year ended 30 June 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

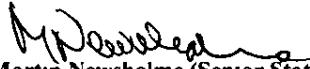
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Chelsea Leisure Services Limited (*continued*)

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


Martin Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
Preston

26 March 2013

Profit and loss account

for the year ended 30 June 2012

	Note	2012 £	2011 £
Turnover	1,2	1,576,634	1,596,859
Operating expenses		(2,750,212)	(2,646,249)
Loss on ordinary activities before taxation	3	(1,173,578)	(1,049,390)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	11,12	(1,173,578)	(1,049,390)

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 30 June 2012

The Company had no recognised gains or losses during the current or prior year, other than those reported in the profit and loss account

Balance sheet

As at 30 June 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	5	3,282,508	3,655,507
Current assets			
Stocks	6	4,097	5,701
Debtors	7	243,172	230,926
Cash at bank and in hand		625	625
		<u>247,894</u>	<u>237,252</u>
Creditors amounts falling due within one year	8	(237,793)	(220,091)
Net current assets		<u>10,101</u>	<u>17,161</u>
Total assets less current liabilities		<u>3,292,609</u>	<u>3,672,668</u>
Creditors: amounts falling due after more than one year	9	(33,247,406)	(32,453,887)
Net liabilities		<u>(29,954,797)</u>	<u>(28,781,219)</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(29,954,799)	(28,781,221)
Equity shareholders' deficit	12	<u>(29,954,797)</u>	<u>(28,781,219)</u>

These financial statements were approved by the Board of Directors on 22 March 2013 and were signed on its behalf by



A L Shaw
Director

Registered number 2450608

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The Financial Statements have been prepared in accordance with applicable accounting standards, under the historical cost convention and within the requirements of the Companies Act 2006

Under Financial Reporting Standard ("FRS") 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

The Company is reliant on its ultimate parent undertaking, Fordstam Limited, for its continued financial support. The Company has received confirmation from its ultimate parent undertaking that sufficient funds will be provided to finance the business for the foreseeable future. The Directors have therefore adopted the going concern basis in preparing these financial statements

Related party transactions

As the company is a wholly owned subsidiary of Fordstam Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Freehold land is not depreciated

Freehold buildings	- Structures	1% per annum
	- Residual finishes	4% per annum
Assets in course of construction		No depreciation
Fixtures and fittings		10-33% per annum

Turnover

Turnover represents membership and sales of goods net of VAT for the year

Pension

The Company operates a defined contribution scheme. Contributions to these schemes are charged to the profit and loss account as incurred

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for deferred taxation in accordance with FRS 19

Amounts claimed or surrendered by way of group relief are transferred at nil consideration

Notes (continued)

2 Turnover

The total turnover of the Company for the year has been derived from its principal activity. All turnover arises entirely in the United Kingdom and from continuing activities.

3 Loss on ordinary activities before tax

	2012 £	2011 £
<i>Loss on ordinary activities before tax is stated after charging</i>		
Depreciation of tangible fixed assets	380,346	364,240
Fees payable to Company's auditor for the audit of the Company's annual accounts	5,360	5,360
Fees payable to Company's auditor for taxation services	2,000	2,000
	<u> </u>	<u> </u>

4 Taxation

	2012 £	2011 £
UK corporation tax at 25.5% (2011: 27.5%) on the loss for the year on ordinary activities	1,173,578	-
	<u> </u>	<u> </u>
	2012 £	2011 £
The actual tax charge for the current year differs from the standard rate of 25.5% (2011: 27.5%) for the reasons set out in the following reconciliation		
Loss on ordinary activities before taxation	(1,173,578)	(1,049,390)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)	(299,262)	(288,582)
	<u> </u>	<u> </u>
Effects of		
Expenses not deductible for tax purposes	4,804	36,284
Movement in deferred tax not provided	93,032	64,447
Group relief surrendered	201,426	187,851
	<u> </u>	<u> </u>
	299,262	288,582
	<u> </u>	<u> </u>
Current tax charge	-	-
	<u> </u>	<u> </u>

A potential deferred tax asset of £4,002,771 (2011: £4,241,321) has not been recognised due to uncertainty over future profits.

Notes (continued)

5 Tangible fixed assets

	Freehold land & buildings £	Fixtures & fittings £	Total £
<i>Cost or valuation</i>			
At 1 July 2011	7,157,059	4,823,017	11,980,076
Additions	-	7,347	7,347
Disposals	-	(6,853)	(6,853)
At 30 June 2012	7,157,059	4,823,511	11,980,570
<i>Depreciation</i>			
At 1 July 2011	6,753,371	1,571,198	8,324,569
Charge for the year	26,774	353,572	380,346
Disposals	-	(6,853)	(6,853)
At 30 June 2012	6,780,145	1,917,917	8,698,062
<i>Net book value</i>			
At 30 June 2012	376,914	2,905,594	3,282,508
At 30 June 2011	403,688	3,251,819	3,655,507

6 Stock

	2012 £	2011 £
Goods held for resale	4,097	5,701

7 Debtors

	2012 £	2012 £
Other debtors	8,634	-
Prepayments and accrued income	234,538	230,926
	243,172	230,926

Notes (continued)

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Accruals and deferred income	237,793	220,091

9 Creditors: amounts falling due after one year

	2012 £	2011 £
Amounts owed to group undertaking	33,247,406	32,453,887

10 Share capital

	2012 £	2011 £
<i>Authorised</i> 1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i> 2 ordinary shares of £1 each	2	2

11 Statement of movement on reserves

	Profit and loss account £
Balance at 1 July 2011	(28,781,221)
Loss for the financial year	(1,173,578)
Balance at 30 June 2012	(29,954,799)

12 Reconciliation of movement in shareholders' deficit

	2012 £	2011 £
Loss for the financial year	(1,173,578)	(1,049,390)
Opening shareholders' deficit	(28,781,219)	(27,731,829)
Closing shareholders' deficit	(29,954,797)	(28,781,219)

Notes (continued)

13 Staff number and costs

The average number of employees (including directors) during the year was

	2012 Number	201 Number
Operations	17	16
Administration	9	8
	<u>26</u>	<u>24</u>

The Company also employs approximately 50 temporary staff (2011 50)

The aggregate payroll of these persons were as follows

	2012 £	2011 £
Wages and salaries	830,484	806,369
Social Security costs	51,926	50,981
Pension	14,165	11,830
	<u>896,575</u>	<u>869,180</u>

The Directors were paid for their services by a fellow subsidiary company of Fordstam Limited, Chelsea FC plc

14 Control

The immediate Parent Company is Stamford Bridge Projects Limited, a company incorporated in England and Wales

The Directors consider the Ultimate Parent Undertaking to be Fordstam Limited, a company incorporated in England and Wales. The largest and smallest group of undertakings in which the Company's results are included is Fordstam Limited.

The registered office of Fordstam Limited is Skadden, Arps, Slate, Meagher & Flom (UK) LLP, 40 Bank Street - via upper Bank Street, Canary Wharf, London, E14 5DS. A copy of the financial statements can be obtained from this address.