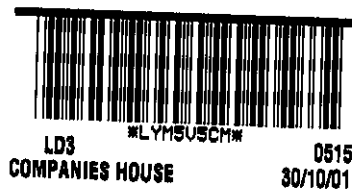


Boomsign Limited

REPORT AND FINANCIAL STATEMENTS

for the period ended
31 December 2000



Boomsign Limited

DIRECTORS AND OFFICERS

DIRECTORS

RA Davies
JR Treharne

SECRETARY

RA Davies

REGISTERED OFFICE

33 Imperial Way
Purley Way
Croydon,
Surrey CR0 4RR

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Boomsign Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Boomsign Limited for the period ended 31 December 2000.

CHANGE OF ACCOUNTING REFERENCE DATE

The accounting reference date has been brought forward and is now the nine month period ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the provision of leisure facilities and instruction.

REVIEW OF THE BUSINESS

The development of the company's business during the period and the state of affairs at the year end were satisfactory. On 29 November 2000, Dragons Health Clubs Plc acquired the entire share capital of the company. On 29 December 2000, Crown Sports Plc acquired the entire share capital of Dragons Health Clubs Plc.

DIVIDENDS

The company paid an interim dividend on the ordinary shares of £68,328.50 per share (year ended 31 March 2000: £Nil), amounting to £136,657. The directors do not recommend a final dividend.

DIRECTORS

The following directors have held office since 1 April 2000:

RA Davies	(appointed 29 November 2000)
JR Treharne	(appointed 29 November 2000)
HR Rollason	(resigned 29 November 2000)
F Nixon	(resigned 29 November 2000)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors' interests in the shares of its parent companies are as follows:-

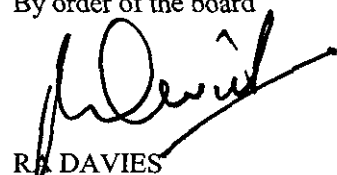
	At 31 December 2000 in Crown Sports Plc 5p ordinary shares	On date of appointment in Dragons Health Clubs Plc 25 ordinary shares	Share Options
JR Treharne	1,706,645	451,080	247,472
R A Davies	828,881	201,398	184,358

The directors had no interests in the shares of the company, including family interest.

AUDITORS

Baker Tilly, Chartered Accountants, were appointed auditors during the period. A resolution for their re-appointment as auditors will be put to the members at the annual general meeting.

By order of the board



R A DAVIES
Secretary
29 October 2001

Boomsign Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and 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 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF BOOMSIGN LIMITED

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

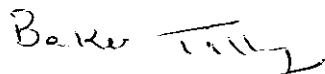
Basis of opinion

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 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 31 December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

29 October 2001

Boomsign Limited
PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2000

		Period ended 31 December 2000 £	Year ended 31 March 2000 £
	Notes		
TURNOVER	1		
Continuing operations		206,685	698,675
Discontinued operations		215,551	-
		<u>422,236</u>	<u>698,675</u>
Cost of sales		(174,127)	(267,057)
GROSS PROFIT		<u>248,109</u>	<u>431,618</u>
Administrative expenses		(278,249)	(430,133)
OPERATING (LOSS)/PROFIT			
Continuing operations		(123,816)	1,485
Discontinued operations		93,676	-
		<u>(30,140)</u>	<u>1,485</u>
Interest payable	2	(13,235)	(13,606)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(43,375)</u>	<u>(12,121)</u>
Taxation	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(43,375)</u>	<u>(12,121)</u>
Dividends	6	(136,657)	-
RETAINED LOSS FOR THE PERIOD	14	<u>(180,032)</u>	<u>(12,121)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Period ended 31 December 2000 £	Year ended 31 March 2000 £
Loss for the financial period	(180,032)	(12,121)
Unrealised surplus on revaluation of properties	1,555,630	-
Total recognised gains and losses relating to the year	<u>1,375,598</u>	<u>(12,121)</u>

Boomsign Limited

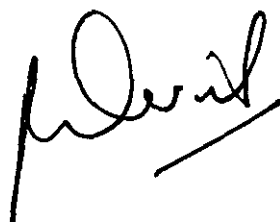
BALANCE SHEET

31 December 2000

	Notes	31 December 2000 £	31 March 2000 £
FIXED ASSETS			
Tangible assets	7	1,844,743	273,411
		<u> </u>	<u> </u>
CURRENT ASSETS			
Stocks	8	-	98,904
Debtors	9	40,139	83,373
Cash at bank and in hand		80,450	244
		<u>120,589</u>	<u>182,521</u>
CREDITORS: Amounts falling due within one year	10	(397,748)	(250,671)
NET CURRENT LIABILITIES		<u>(277,159)</u>	<u>(68,150)</u>
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,567,584	205,261
CREDITORS: Amounts falling due after more than one year	11	-	(13,275)
		<u>1,567,584</u>	<u>191,986</u>
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Profit and loss account	14	11,952	191,984
Revaluation reserve	15	1,555,630	-
SHAREHOLDERS' FUNDS	16	<u>1,567,584</u>	<u>191,986</u>
		<u> </u>	<u> </u>

Approved by the board on 29 October 2001

Director



Boomsign Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements 4% and 10% (straight line)
Motor vehicles 25% (reducing balance)
Fixtures and fittings 15% (reducing balance)
Sports and catering equipment 15% (reducing balance)

No depreciation is provided on leasehold properties where the unexpired lease term exceeds 20 years.

STOCKS AND WORK IN PROGRESS

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

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lesser.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Boomsign Limited

ACCOUNTING POLICIES

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity and were carried out wholly in the UK. The discontinued operations comprise the business of the watersports facilities, which was not part of the transfer to the new owners of the company.

2	INTEREST PAYABLE	Period ended 31 December 2000 £	Year ended 31 March 2000 £
	On bank loans and overdrafts	10,259	12,588
	On other loans	-	137
	Finance leases	2,976	881
		<u>13,235</u>	<u>13,606</u>
3	LOSS ON ORDINARY ACTIVITIES	Period ended 31 December 2000 £	Year ended 31 March 2000 £
	Loss on ordinary activities before taxation is stated after charging:		
	Depreciation of tangible fixed assets:		
	leased assets	732	1,291
	owned assets	16,898	23,074
	Operating leases rentals	32,067	38,443
	Auditors' remuneration	4,000	1,500
		<u></u>	<u></u>
4	EMPLOYEES	Period ended 31 December 2000 No	Year ended 31 March 2000 No
	The average monthly number of persons (including directors) employed by the company during the period was:		
	Office and management	4	4
	Watersport staff	9	11
		<u>13</u>	<u>15</u>

Boomsign Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2000

4	EMPLOYEEED (continued)	Period ended 31 December 2000 £	Year ended 31 March 2000 £
	Staff costs for above persons:		
	Wages and salaries	111,947	122,359
	Social security costs	8,956	9,789
	Other pension costs	1,971	2,957
		<u>122,874</u>	<u>135,105</u>

		Period ended 31 December 2000 £	Year ended 31 March 2000 £
	DIRECTORS' REMUNERATION		
	Emoluments	34,418	46,576
	Pension contributions	1,971	2,957
		<u>36,389</u>	<u>49,533</u>

5 TAXATION

There is no liability to corporation,tax on the basis of these financial statements.

6	DIVIDENDS	Period ended 31 December 2000 £	Year ended 31 March 2000 £
	Ordinary:		
	Interim paid - £68,328.50 (year ended 31 March 2000 £Nil)	136,657	-
		<u>136,657</u>	<u>-</u>

Boomsign Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2000

7 TANGIBLE FIXED ASSETS

	Long leasehold property £	Motor vehicles £	Fixtures and fittings £	Sports & catering equipment £	Total £
Cost or valuation					
1 April 2000	253,851	4,500	58,039	90,089	406,479
Additions	69,743	-	973	5,732	76,448
Revaluation surplus	1,496,873	-	-	-	1,496,873
Disposals	-	(4,500)	(10,230)	(95,821)	(110,551)
31 December 2000	<u>1,820,467</u>	<u>-</u>	<u>48,782</u>	<u>-</u>	<u>1,869,249</u>
Depreciation					
1 April 2000	55,638	3,611	28,519	45,300	133,068
Charged in the period	6,237	-	6,341	5,052	17,630
Disposals	-	(3,611)	(13,472)	(50,352)	(67,435)
Revaluation surplus	(58,757)	-	-	-	(58,757)
31 December 2000	<u>3,118</u>	<u>-</u>	<u>21,388</u>	<u>-</u>	<u>24,506</u>
Net book value					
31 December 2000	<u>1,817,349</u>	<u>-</u>	<u>27,394</u>	<u>-</u>	<u>1,844,743</u>
31 March 2000	<u>198,213</u>	<u>889</u>	<u>29,520</u>	<u>44,789</u>	<u>273,411</u>

The net book value of sports and catering equipment included £7,317 of assets held under finance lease contracts at 31 March 2000.

The Club at Willen Lake, Birchhall Street was valued at 7 June 2000 by Humberts Leisure, Chartered Surveyors on an existing use open market basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors, at £1,650,000, including fixtures and fittings. The valuation brought into the accounts is £1,775,000 to reflect the anticipated increase in membership, consistent with the additional consideration payable in accordance with the share acquisition agreement between the company and Dragons Health Clubs Plc.

Cost or valuation of the long leasehold property at 31 December 2000 is represented by:	£
Valuation 2000	1,750,724
Cost	69,743
	<u>1,820,467</u>

On an historical cost basis the long leasehold property would have been included at:

	2000 £	1999 £
Cost	323,594	-
Aggregate depreciation	<u>58,757</u>	<u>-</u>

Boomsign Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2000

8	STOCKS	31 December 2000 £	31 March 2000 £
	Raw materials and consumables	-	1,183
	Finished goods and goods for resale	-	97,721
		<u>-</u>	<u>98,904</u>
9	DEBTORS	31 December 2000 £	31 March 2000 £
	Trade debtors	5,687	6,007
	Corporation tax recoverable	1,395	-
	Other debtors	24,515	59,471
	Prepayments and accrued income	8,542	17,895
		<u>40,139</u>	<u>83,373</u>
10	CREDITORS: Amounts falling due within one year	31 December 2000 £	31 March 2000 £
	Bank loans and overdrafts (secured)	-	176,942
	Obligations under finance leases	2,232	2,293
	Amounts due to group undertakings	227,054	-
	Trade creditors	9,937	40,526
	Corporation tax	-	2,240
	Other taxation and social security	25,161	12,994
	Other creditors	27,725	3,210
	Accruals and deferred income	105,639	12,466
		<u>397,748</u>	<u>250,671</u>
11	CREDITORS: Amounts falling due in more than one year	31 December 2000 £	31 March 2000 £
	Bank loans and overdrafts	-	11,090
	Obligations under finance leases	-	2,185
		<u>-</u>	<u>13,275</u>

Boomsign Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2000

12 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:

	Amount provided		Unprovided liability	
	31 December 2000	31 March 2000	31 December 2000	31 March 2000
	£	£	£	£
Excess of tax allowances over depreciation	-	-	-	9,424
Revaluation surplus	-	-	453,000	-
	<u>-</u>	<u>-</u>	<u>453,000</u>	<u>9,424</u>

A potential capital gains tax of £453,000 exists as a result of the revaluation of the long leasehold property. At present there is no intention to dispose of this asset and as such it is not probable that a tax liability will crystallise. Accordingly, no provision for this potential liability has been made out of the revaluation surplus.

13 SHARE CAPITAL

	31 December 2000	31 March 2000
	£	£
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, issued and fully paid: 2 ordinary shares of £1 each	2	2

14 PROFIT AND LOSS ACCOUNT

	31 December 2000	31 March 2000
	£	£
1 April 2000	191,984	204,105
Loss for the financial period	(180,032)	(12,121)
31 December 2000	<u>11,952</u>	<u>191,984</u>

15 REVALUATION RESERVE

	31 December 2000	31 March 2000
	£	£
Surplus on revaluation of land and buildings	<u>1,555,630</u>	<u>-</u>

Boomsign Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2000

16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	31 December 2000 £	31 March 2000 £
	Loss for the financial period	(43,375)	(12,121)
	Dividends	(136,657)	-
	Surplus on revaluation of land and buildings	1,555,630	-
	Net addition/(deficit) to shareholders' funds	1,375,598	(12,121)
	Opening shareholders' funds	191,986	204,107
	Closing shareholders' funds	1,567,584	191,986

17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	31 December 2000 £	31 March 2000 £
Plant and machinery		
expiring in the first year	-	6,302
expiring in the second to fifth year	6,960	18,450
Land and buildings		
expiring in the second to fifth year	25,000	-
	31,960	24,752

18 CONTINGENT LIABILITIES

The leasehold property is secured by a cross group mortgage in favour of HSBC Plc.

19	CAPITAL COMMITMENTS	2000 £	1999 £
	Capital expenditure contracted for but not provided for in the financial statements	1,670,000	-

The outstanding commitments relate to the improvement of the Club.

20 CONTROL

Until 29 November 2000, the directors regarded Messrs A.G. Nixon and M.C. Rollason as the controlling party. In view of the change of ownership of the company, the ultimate parent company is now Crown Sports plc, a company registered in England and Wales. Crown Sports plc prepares group financial statements and copies can be obtained from 22 Melton Street, London, NW1 2BW.

Boomsign Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2000

21 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by Financial Reporting Standard number 8, in respect of transactions with entities that are part of the group, on the grounds that the company is a subsidiary undertaking.

During the year the company paid Aquasail (Southam) Limited, a company in which Mr HR Rollason is a director, £7,200 (year ended 31 March 2000 £10,800) for management charges.

The company received from Force Ten Fitness Limited, a company of which Mr HR Rollason and Mr F Nixon are directors £131,227 (year ended 31 March 2000: £333,180) for fitness facilities.

During the year the company paid Performance Healthcare Limited £67,140 (year ended 31 March 2000 £87,404) for management services. This is a company with which both the previous directors are associated.

At the end of the year, there was a balance due to Boomsign Limited of £Nil (year ended 31 March 2000 £51,569).