

# Brooklands Healthtrack Limited

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Registered No. 2985386

## **DIRECTORS**

S J R Philpott  
M R Phillips

## **SECRETARY**

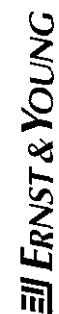
E A Thorpe  
M R Buxton-Smith

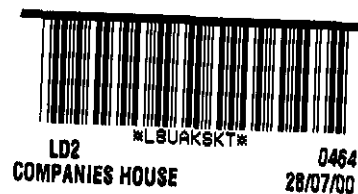
## **AUDITORS**

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

## **REGISTERED OFFICE**

Whitbred PLC  
Chiswell Street  
London EC1Y 4SD

 ERNST & YOUNG



**DIRECTORS' REPORT**

The directors present their report accounts for the year ended 30 September 1999.

**RESULTS AND DIVIDENDS**

The profit and loss account for the year is set out on page 6. The Company made a profit for the year of £613,000 (1998 : profit of £920,000).

The directors do not propose a dividend.

**PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the Company is that of providing sports, leisure and other related activities to members and visitors of the Brooklands Healthtrack Club.

During the year the major activity of the Company was the operation of the Brooklands Healthtrack Club in Weybridge.

Both the level of business and the year ended financial position remain satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year ended 30 September 1999 were as follows:

G M Thomas	(resigned 30 September 1999)
M B Wildsmith	(resigned 30 September 1999)
C J Lee	(resigned 30 September 1999)
S J R Philpott	(appointed 30 September 1999)
M R Phillips	(appointed 30 September 1999)

None of the directors held any beneficial interest in the shares of the company.

The beneficial interests of the directors in shares and options over ordinary shares in the holding Company, Whitbread PLC including shares under the Whitbread PLC Share Ownership Scheme was as follows:

	<i>Ordinary shares 30 September 1999</i>
Stephen Philpott	632
Mark Phillips	968

DIRECTORS' REPORT

**DIRECTORS AND THEIR INTERESTS** (continued)

Interests in options over the ordinary share capital of the holding Company, Whitbread PLC are as follows:

	<i>Options held at 30 September 1999 or date of appointment</i>
Stephen Philpott	90,300 (a) 2,701 (b) 23,278 (c)
Mark Phillips	21,600 (a) 3,031 (b)

- (a) the Executive Share Option Scheme
- (b) the Savings Related Share Option Scheme
- (c) the Long Term Incentive Plan

**COMPANY SECRETARY**

C J Lee resigned on 30 September 1999. E A Thorpe and M R Buxton-Smith were appointed on the same date.

**FIXED ASSETS**

Details of movements in fixed assets are set out in note 7 to the accounts.

**YEAR 2000**

Our Year 2000 "Readiness" programme, the associated business continuity plans and specific strategic replacement projects were all completed before the end of 1999. No major problems emerged over the millennium changeover period or since.

**AUDITORS**

BKL Weeks Green resigned as auditors on 30 September 1999 and Ernst & Young were appointed in their place. A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

  
Secretary  Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group 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 accounts 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 Brooklands Healthtrack Limited

We have audited the accounts on pages 6 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

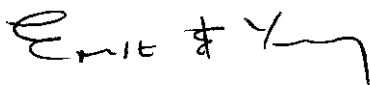
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

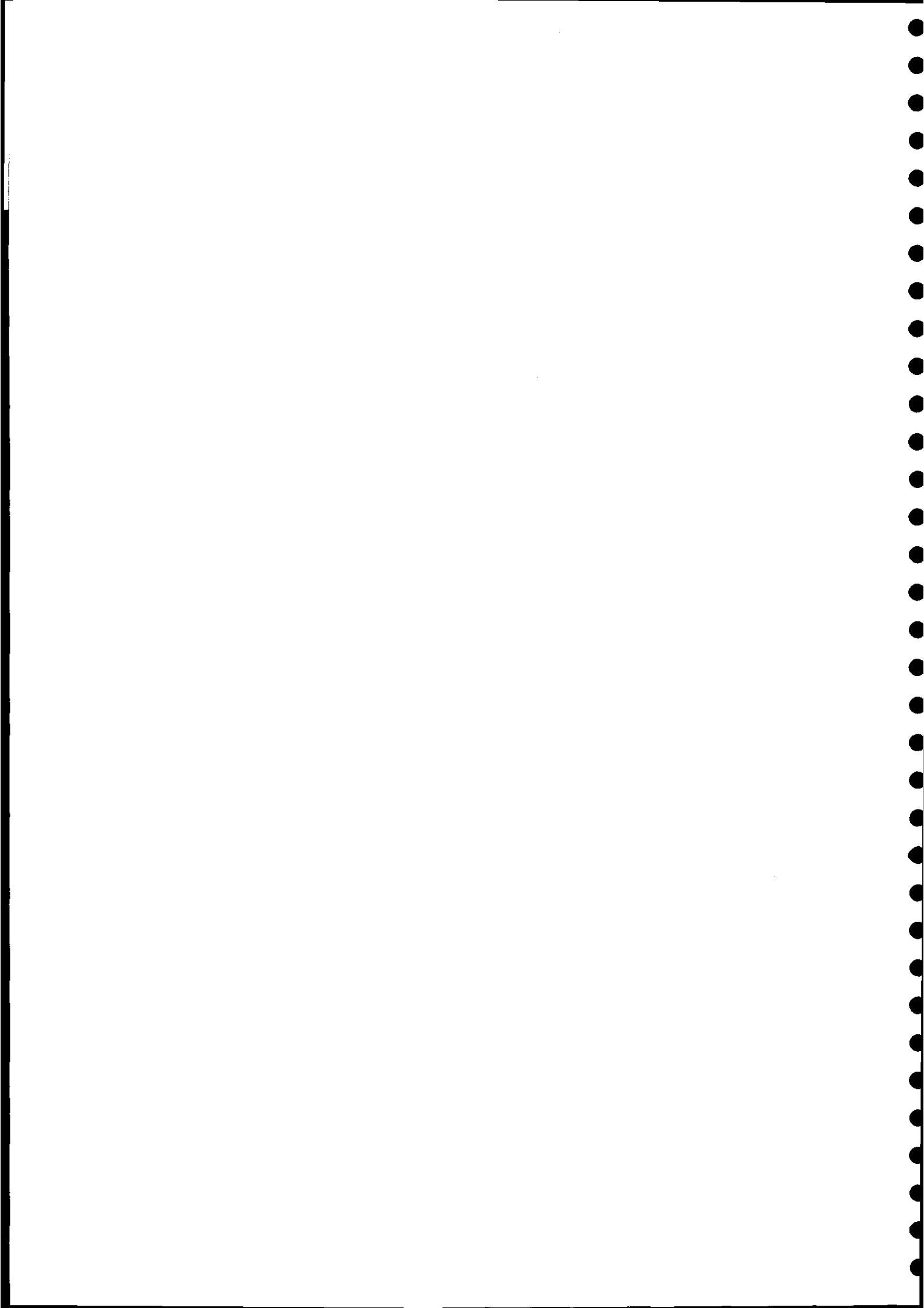
**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
London

**28 JUL 2000**



# Brooklands Healthtrack Limited

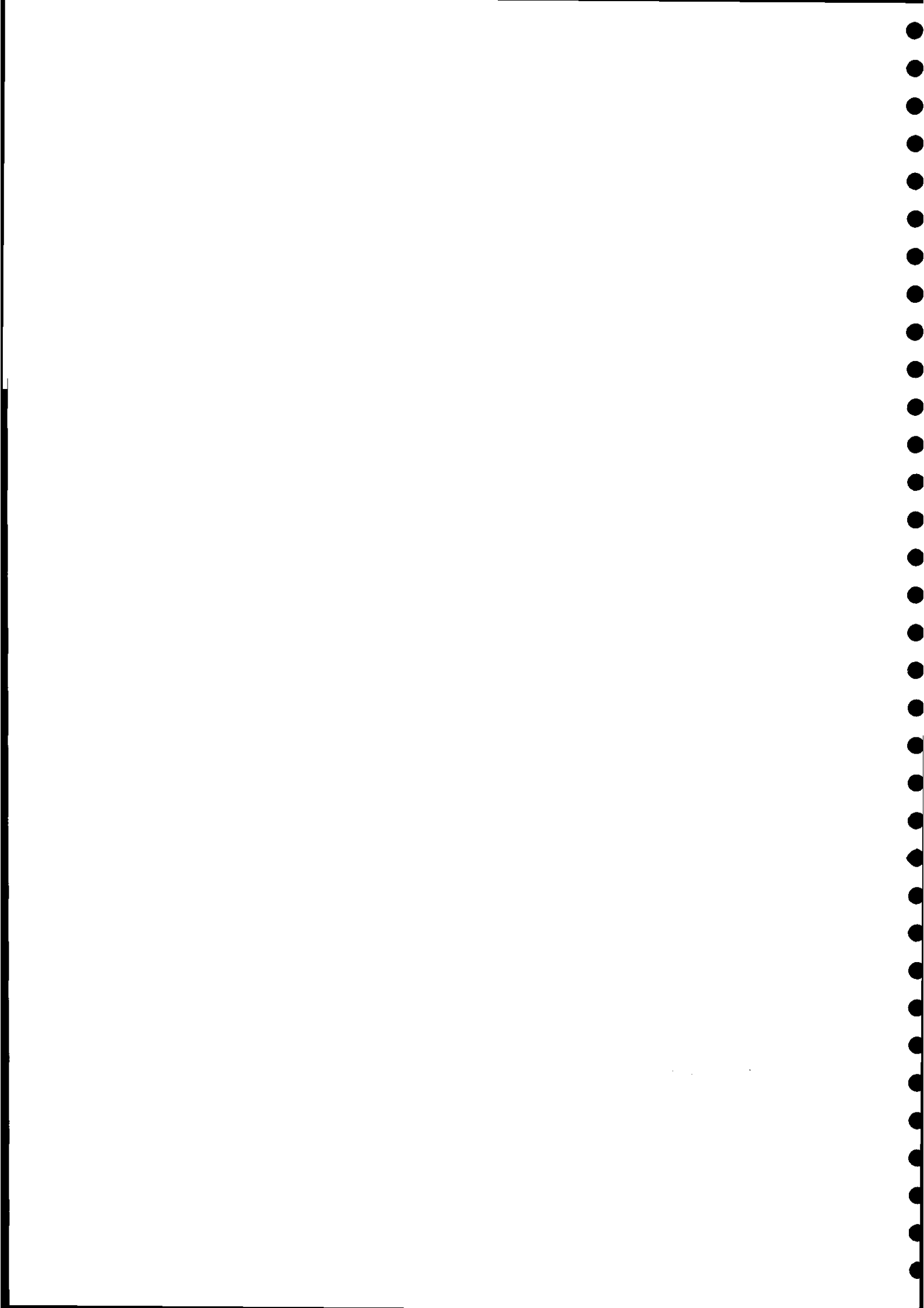
## PROFIT AND LOSS ACCOUNT for the year ended 30 September 1999

	<i>Notes</i>	<i>1999 £000</i>	<i>1998 £000</i>
<b>TURNOVER</b>		3,865	3,836
Cost of sales		(347)	(346)
<b>GROSS PROFIT</b>		3,518	3,490
Administrative expenses		(2,361)	(2,081)
<b>OPERATING PROFIT</b>	2	1,157	1,409
Interest payable and similar charges	5	(544)	(489)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		613	920
Tax on profit on ordinary activities	6	—	—
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	14	613	920

Turnover and operating profit arise from the principal activity which is continuing.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>1999 £000</i>	<i>1998 £000</i>
Profit for the year	613	920
Unrealised surplus on revaluation of tangible fixed assets	3,475	—
<b>Total recognised gains relating to the year</b>	<b>4,088</b>	<b>920</b>





# Brooklands Healthtrack Limited

## BALANCE SHEET

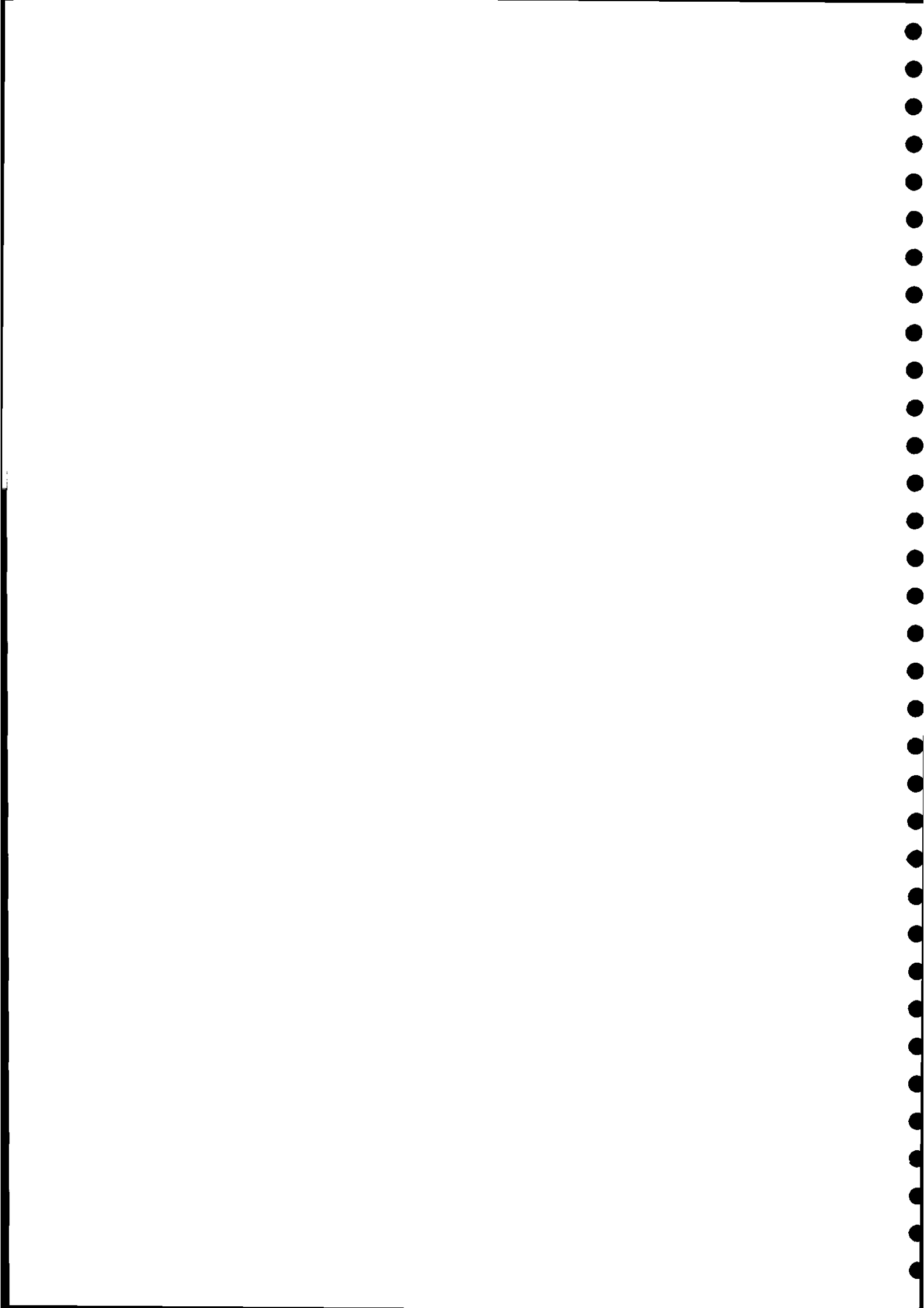
at 30 September 1999

	Notes	1999 £000	1998 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	15,000	11,164
<b>CURRENT ASSETS</b>			
Stock	8	50	92
Debtors	9	279	1,787
Cash at bank and in hand		—	169
		329	2,048
<b>CREDITORS: amounts falling due within one year</b>	10	(3,949)	(681)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(3,620)	1,367
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,380	12,531
<b>CREDITORS: amounts falling due after more than one year</b>	11	—	(5,239)
<b>NET ASSETS</b>		11,380	7,292
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	—	—
Revaluation reserve	14	8,789	5,314
Profit and loss account	14	2,591	1,978
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	11,380	7,292

Signed on behalf of the board of directors

  
Director

28 JUL 2000



NOTES TO THE ACCOUNTS

at 30 September 1999

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

*Accounting convention*

The accounts are presented under the historical cost convention as modified by the revaluation of land and buildings and include the results for the Company's operations as indicated in the directors' report.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement as the Company is a wholly owned subsidiary undertaking of a European Union registered parent undertaking.

*Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year from continuing activities.

*Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation. The cost of valuation of fixed assets is written off over their expected useful lives to the business at the following rates:

Land and buildings	–	10 – 20 years for items with a wasting life
Fixture and fittings	–	15% straight line
Plant and equipment	–	5% – 20% straight line
Computer equipment	–	20% straight line

*Stock*

Stock has been valued at the lower of cost and net realisable value except base stock which is carried forward at its cost value.

*Deferred taxation*

Deferred taxation is provided on timing differences, arising from the difference treatment of items for accounting and taxation purposes, which are expected to reverse in the foreseeable future, calculated at the rates at which it is expected that it will arise.

*Membership income*

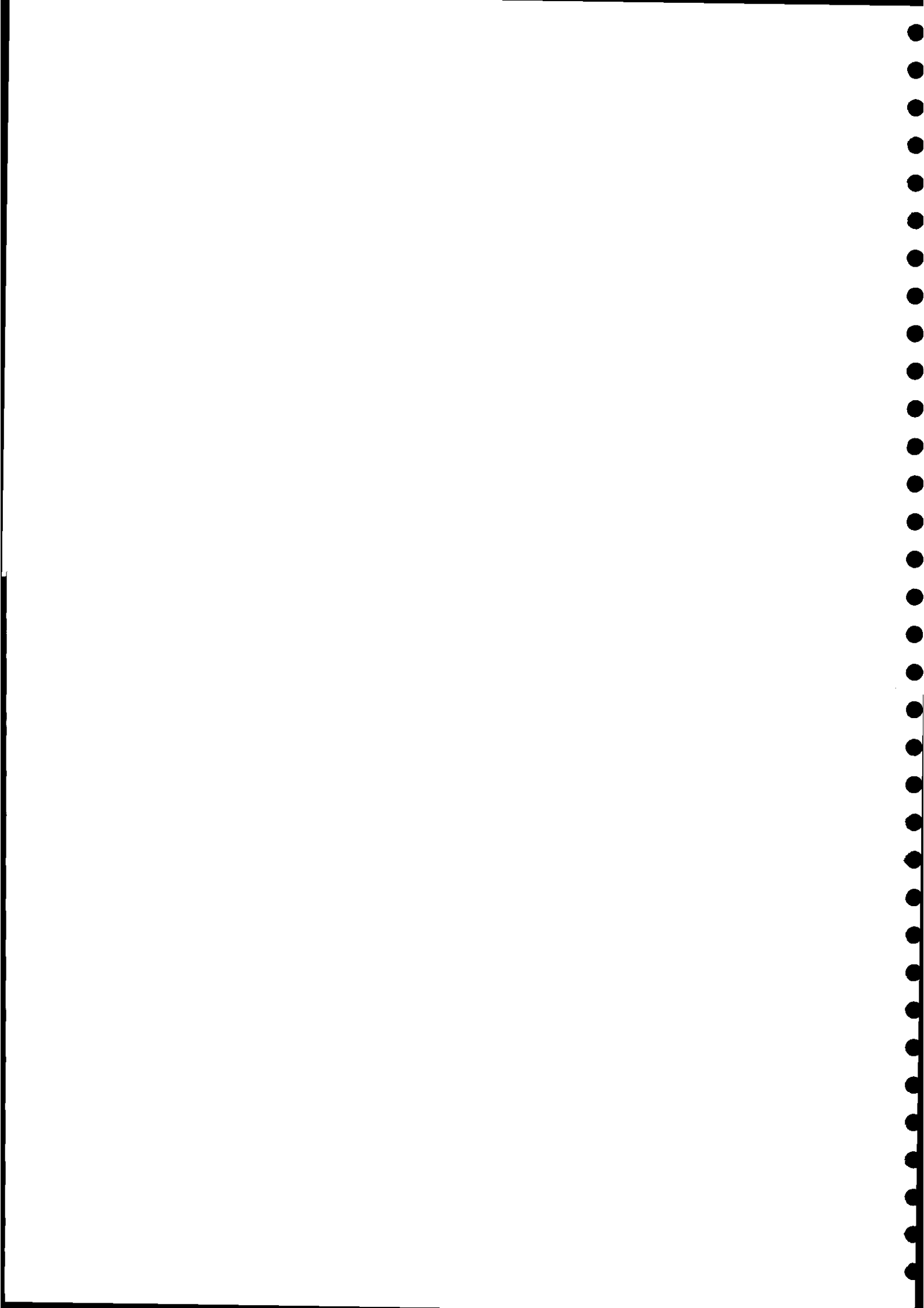
Joining fees are recognised evenly as revenue over the accounting period in which they are received. Annual membership subscriptions are released to the profit and loss account over the period to which they relate. Life memberships are released to the profit and loss account on joining.

*Capitalisation of interest*

Interest costs and similar charges relating to financing of leasehold property developments are capitalised up to date of completion of the project.

*Pre-opening expenses*

All pre-opening expenses are written off as they are incurred.



# Brooklands Healthtrack Limited

## NOTES TO THE ACCOUNTS

at 30 September 1999

### 2. OPERATING PROFIT

	<i>1999</i> <i>£000</i>	<i>1998</i> <i>£000</i>
Depreciation of tangible fixed assets	172	150
Auditors' remuneration – audit fees	8	5
	<u>          </u>	<u>          </u>

### 3. DIRECTORS' REMUNERATION

None of the directors received any remuneration from the Company in respects of services as directors.

### 4. STAFF COSTS AND NUMBERS

	<i>1999</i> <i>£000</i>	<i>1998</i> <i>£000</i>
Wages and salaries	952	936
Social security costs	68	70
	<u>          </u>	<u>          </u>
	1,020	1,006
	<u>          </u>	<u>          </u>

The average number of persons employed by the Company, which includes directors was:

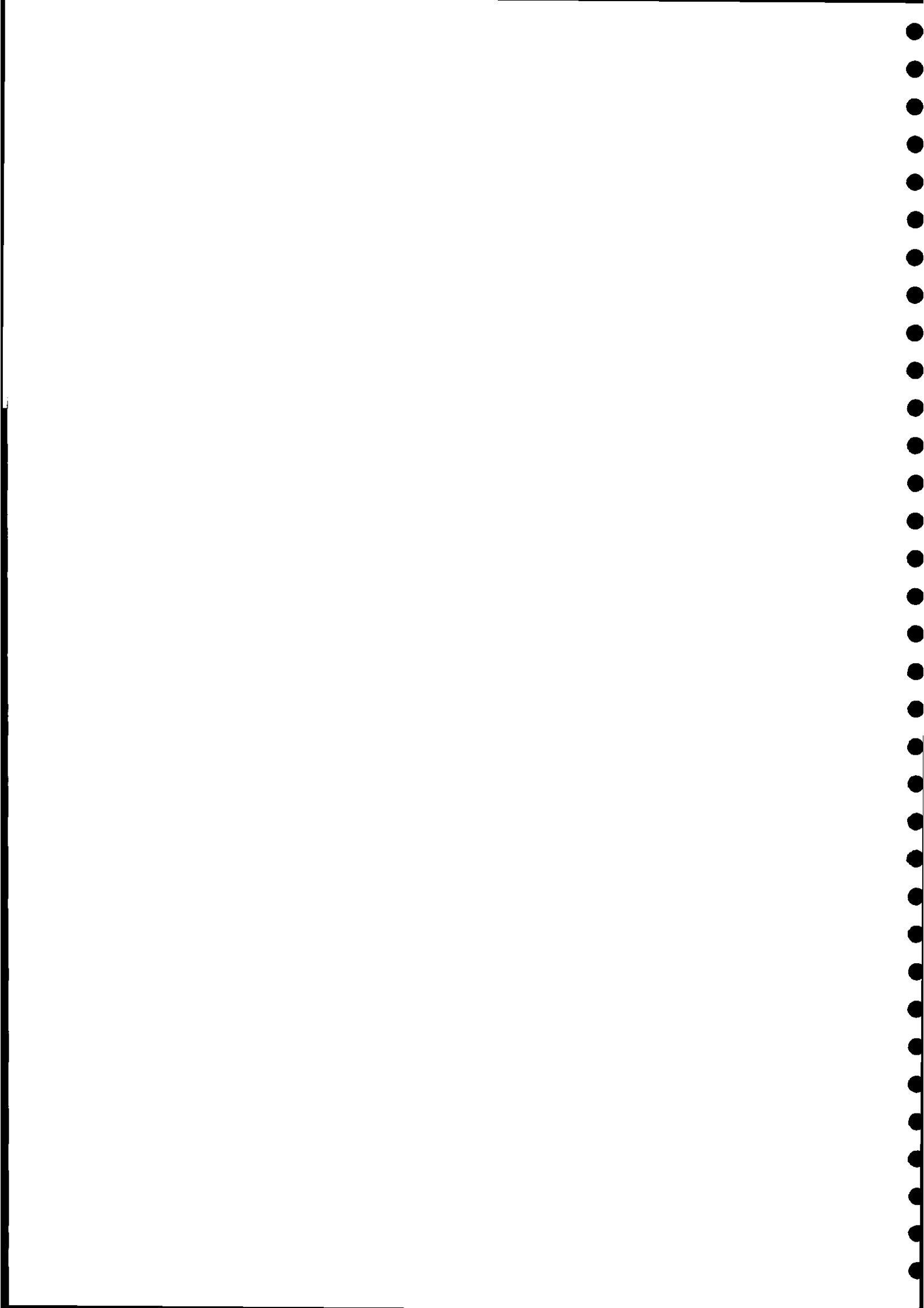
	<i>1999</i> <i>No.</i>	<i>1998</i> <i>No.</i>
Total staff	120	76
	<u>          </u>	<u>          </u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>1999</i> <i>£000</i>	<i>1998</i> <i>£000</i>
Bank loans	544	489
	<u>          </u>	<u>          </u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

No provision for corporation tax arises on the results for the year, due to the availability of losses from other group companies.



NOTES TO THE ACCOUNTS

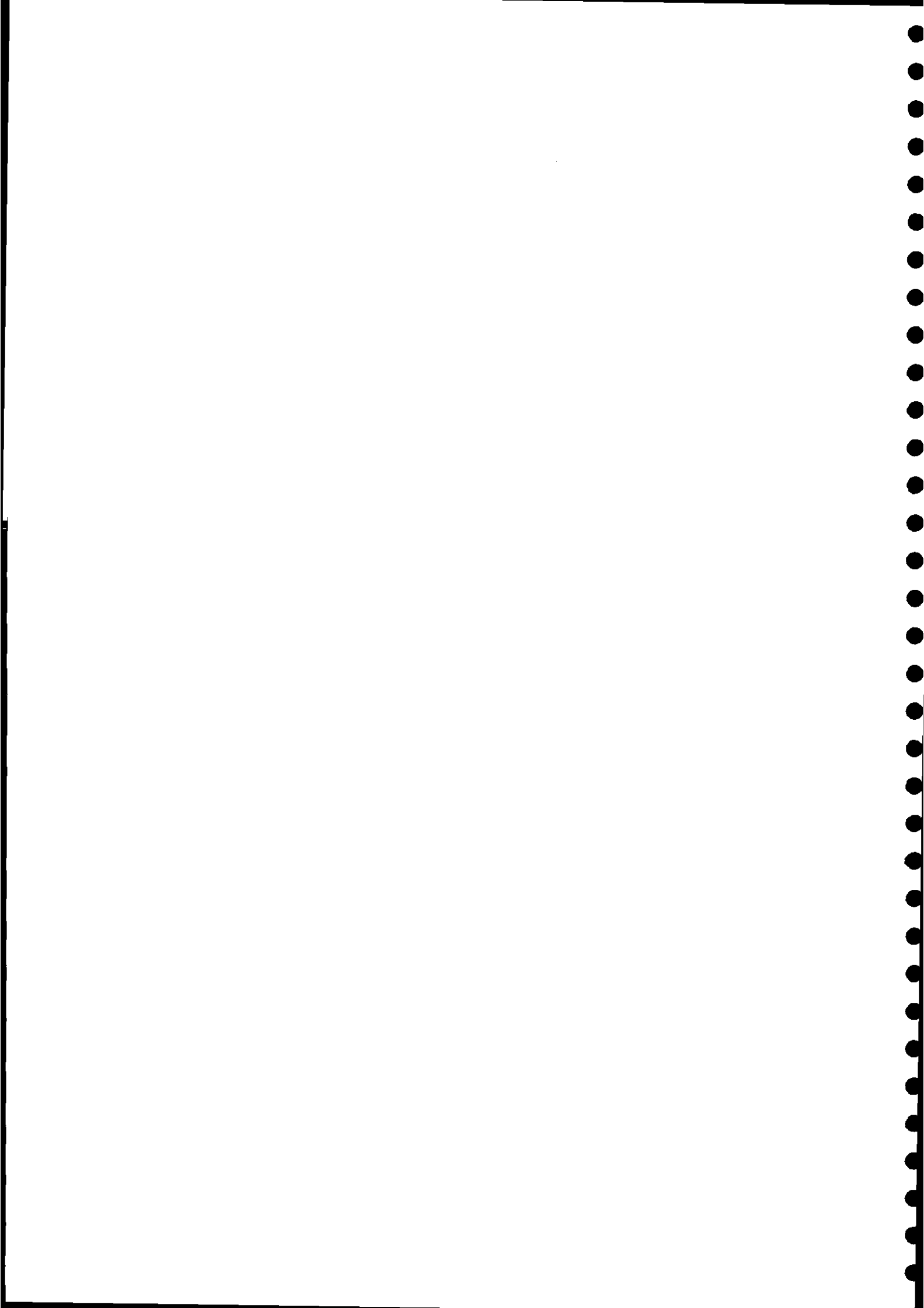
at 30 September 1999

7. TANGIBLE FIXED ASSETS

	<i>Land and buildings £000</i>	<i>Furniture fixtures, and equipment £000</i>	<i>Total £000</i>
Cost or valuation:			
At 1 October 1998	10,934	678	11,612
Revaluation	3,475	—	3,475
Additions	352	181	533
At 30 September 1999	14,761	859	15,620
Depreciation:			
At 1 October 1998	209	239	448
Charge for year	(209)	381	172
At 30 September 1999	—	620	620
Net book value:			
At 30 September 1999	14,761	239	15,000
At 1 October 1998	10,725	439	11,164

8. STOCKS

	<i>1999 £000</i>	<i>1998 £000</i>
Consumables	—	46
Goods for resale	50	46
	50	92





# Brooklands Healthtrack Limited

## NOTES TO THE ACCOUNTS

at 30 September 1999

### 9. DEBTORS

	1999 £000	1998 £000
Trade debtors	24	30
Other debtors	95	1,757
Amounts owed from related parties	160	-
	<u>279</u>	<u>1,787</u>

### 10. CREDITORS: amounts falling due within one year

	1999 £000	1998 £000
Bank loans and overdrafts	3,391	161
Trade creditors	306	108
Taxation and social security	159	112
Other creditors	32	-
Accruals and deferred income	61	300
	<u>3,949</u>	<u>681</u>

### 11. CREDITORS: amounts falling due after more than one year

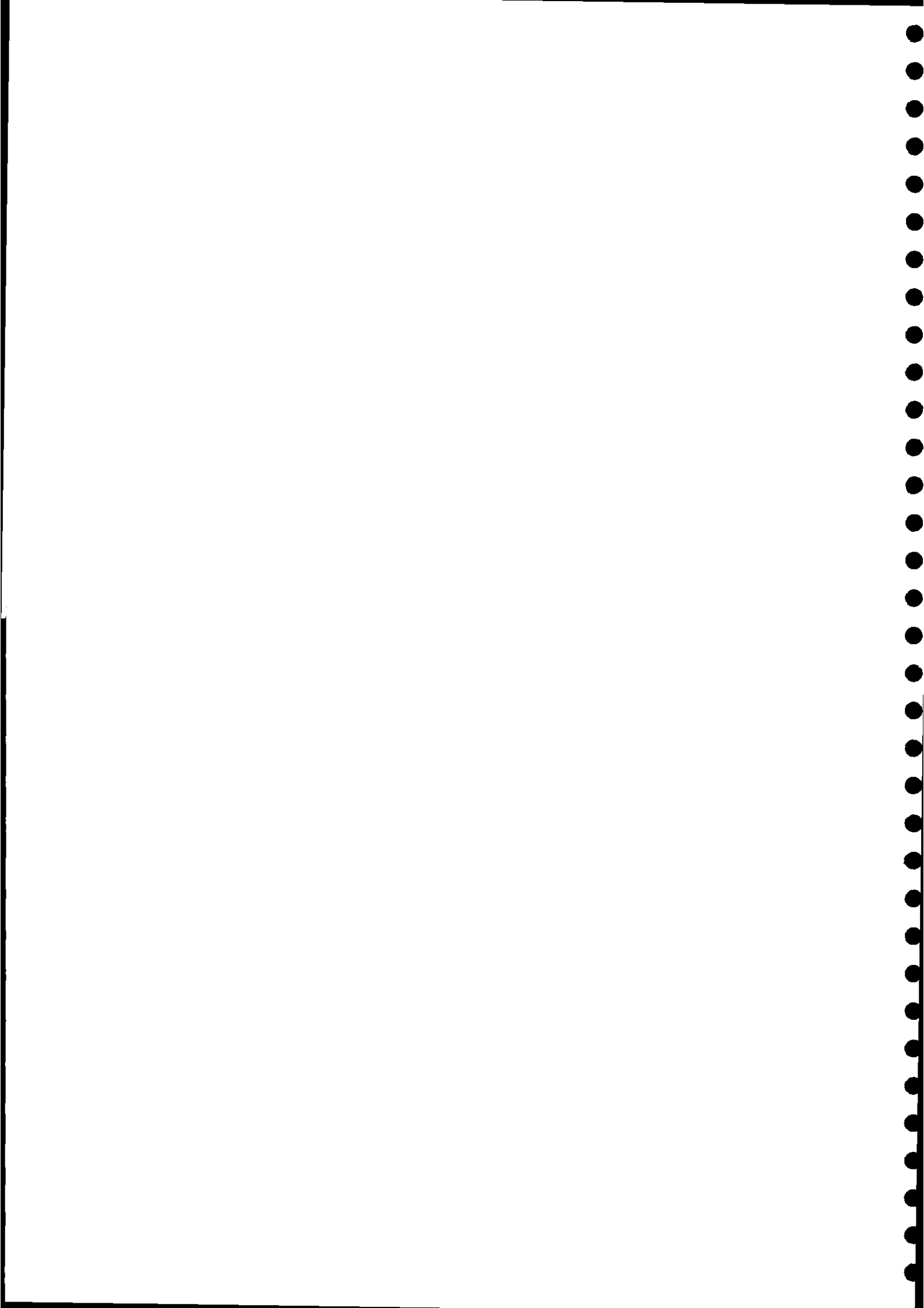
	1999 £000	1998 £000
Bank loans	-	5,239
	<u>-</u>	<u>5,239</u>

### 12. DEFERRED TAXATION

	<i>Unprovided deferred tax</i>	
	1999	1998
	£	£
Accelerated capital allowances		244,000
Losses carried forward		(244,000)
	<u>-</u>	<u>-</u>

Due to the Group's policy of expansion the Company expects group relief to be made available from group companies for the foreseeable future.

If the freehold property was realised at the amounts included in the balance sheet, in view of the company's policy of expansion and continued ownership of its assets it would be necessary to replace it by purchasing similar property; rollover relief would therefore be available. Accordingly the revalued amounts do not constitute timing difference as defined by SSAP 15 and the potential amount of deferred tax if the property were to be disposed of has not therefore been quantified.



**NOTES TO THE ACCOUNTS**  
at 30 September 1999

**13. SHARE CAPITAL**

	1999 £	1998 £
Authorised: 1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid: 100 Ordinary shares of £1 each	100	100

**14. STATEMENT OF MOVEMENT ON RESERVES**

	<i>Profit and loss account</i> £000	<i>Revaluation reserve</i> £000	<i>Total</i> £000
Balance as at 1 October 1998	1,978	5,314	7,292
Profit for the year	613	—	613
Revaluation	—	3,475	3,475
Balance as at 30 September 1999	2,591	8,789	11,380

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	1999 £000	1998 £000
Shareholders funds at 1 October	7,291	6,372
Profit attributable to members of the company	613	920
Revaluation	3,475	—
Shareholders funds at 30 September	11,380	7,292

**16. CAPITAL COMMITMENTS**

There were no capital commitments at the year end (1998 : £nil) which had not been provided for.

**17. RELATED PARTIES**

The Company is a wholly owned subsidiary of Whitbread PLC and has taken advantage of the exemption given in Financial Reporting Standard No. 8 not to disclose transactions with other group companies.

**18. PARENT UNDERTAKING**

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from Chiswell Street, London EC1Y 4SD.

*Private & Confidential*

**Report and Accounts**

*Brooklands Healthtrack  
Limited*

**30 September 1999**

*Private & Confidential*

## **Report and Accounts**

# *Solihull Racquets & Healthtrack Limited*

**30 September 1999**