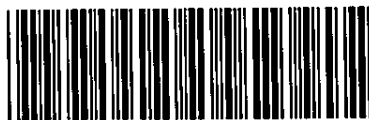


Riverside Childcare Limited

Directors' report and financial statements

Year ended 31 December 2009

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Directors' report

Directors

R L Segal
J B Cleland
D J Leatherbarrow
J Dhody

Secretary

E P Scales

The directors present their report together with the audited financial statements in respect of the year ended 31 December 2009

Principal Activity

The Company was a 50% partner of The Riverside Teddies Partnership which provides childcare services at Esporta group health clubs. The partnership ceased to trade on 31 January 2009.

Business Review

The profit before taxation for the year was £13,000 (2008 £61,000) as shown in the Profit and Loss Account on page 5. The directors do not recommend payment of a dividend for the year (2008 £nil).

On 18 June 2009 Societe Générale SA acquired, the entire share capital of New Esporta Holding Limited, a parent undertaking of the Company. At the same time New Esporta Holding Limited secured new loan facilities totalling £205m from Société Générale, comprising £125m secured bank loans, £10m working capital facility and £70m of shareholder loans. The revised financing structure now in place provides a strong platform for New Esporta Holding Limited and its subsidiaries to move forward.

The Directors' report for the Company's parent undertaking at the year end, New Esporta Holding Limited, contains a fair review of the business of the Esporta Group including the Company, and an indication of future developments as required by section 417 of the Companies Act 2006, using key performance indicators and risk analysis.

Directors

The directors shown at the head of this report are currently in office. Changes to the directors since 1 January 2009 were as follows:

| Name | Appointed | Resigned |
|-------------|------------------|--------------|
| G G Timms | - | 18 June 2009 |
| R L Segal | 14 October 2009 | - |
| J B Cleland | 14 December 2009 | - |

There were no other directors during the year.

Indemnity

The Articles of Association provide for the Company indemnifying all directors subject to the provisions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of the directors' reports.

Directors' report *(continued)*

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

On Behalf of the Board



J Dhody
Director

26 May 2010

Registered Office
Trinity Court
Molly Millars Lane
Wokingham
Berkshire RG41 2PY

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the 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 Company's 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 in 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 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 proper accounting records which 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 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

Independent auditor's report to the members of Riverside Childcare Limited

We have audited the financial statements of Riverside Childcare Limited for the year ended 31 December 2009 which comprise the primary statements such as the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 12. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 December 2009 and of its profit 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.

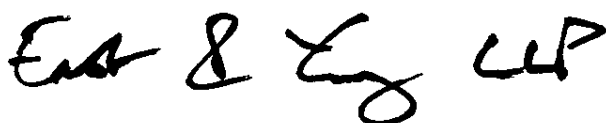
Opinion on other matter prescribed by the Companies Act 2006

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.



Geoff Collins (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
26 May 2010

Profit and loss account
for the year ended 31 December 2009

| | <i>Note</i> | 2009 £000 | 2008 £000 |
|--|-------------|----------------------------|----------------------------|
| Turnover | 2 | 67 | 624 |
| Cost of sales | | (16) | (385) |
| Gross profit | | 51 | 239 |
| Administrative expenses | | (24) | (190) |
| Operating profit | | 27 | 49 |
| Interest receivable | 4 | - | 12 |
| Interest payable | 5 | (14) | - |
| Profit on ordinary activities before taxation | | 13 | 61 |
| Tax on profit on ordinary activities | 6 | - | (18) |
| Profit for the financial year | 11 | 13 | 43 |

Statement of total recognised gains and losses
for the year ended 31 December 2009

The Company has no recognised gains or losses in either period other than the profit for that year and the results relate wholly to continuing operations

Balance sheet
at 31 December 2009

| | <i>Note</i> | 2009 £000 | 2008 £000 |
|---|-------------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 7 | - | - |
| Current assets | | | |
| Debtors | 8 | 1,308 | 1,005 |
| Total assets | | <u>1,308</u> | <u>1,005</u> |
| Creditors amounts falling due after more than one year | 9 | (290) | - |
| Net assets | | <u>1,018</u> | <u>1,005</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | - | - |
| Profit and loss account | 11 | 1,018 | 1,005 |
| Equity shareholders' funds | | <u>1,018</u> | <u>1,005</u> |

These financial statements were approved by the board of directors on 26 May 2010 and signed on its behalf by


J Dhody
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2009

| | 2009 £000 | 2008 £000 |
|-------------------------------|--------------|--------------|
| Opening shareholders' funds | 1,005 | 962 |
| Profit for the financial year | 13 | 43 |
| Closing shareholders' funds | <u>1,018</u> | <u>1,005</u> |

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, except as noted below

Basis of preparation

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

Cash flow statement

The Company is exempt from the requirement of FRS 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of New Esporta Holding Limited, and is included within the publicly available consolidated financial statements of that company

Related party transactions

The directors have taken advantage of the exemption in FRS 8, Paragraph 3(c) and have not disclosed related party transactions with fellow subsidiary undertakings which are wholly owned subsidiaries of New Esporta Holding Limited

Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts and VAT. The following criteria must also be met before revenue is recognised

Membership subscriptions and joining fees

Joining fees are recognised as revenue at the time the member joins the club. Membership subscriptions are released to the profit and loss account evenly over the membership term

Sale of goods and provision of services

Revenue from the sale of goods is recognised when the goods are sold to the consumer. Revenue from the provision of services is recognised when the service is provided. Where members are charged in advance for courses or similar services the revenue is released to the profit and loss as each session or class occurs

Cost of sales

Cost of sales includes all costs directly related to sales and all costs controlled by club management. Costs include club payroll and related costs, sports professional fees, depreciation, and property and utilities costs

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less the estimated residual value, based on prices prevailing at the date of acquisition of each asset, evenly over the asset's expected useful life, as follows:

| | | |
|----------------------------------|---|---------------|
| Fixtures, fittings and equipment | - | 3 to 25 years |
|----------------------------------|---|---------------|

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers as part of the principal activity of the Company. All turnover arises in the United Kingdom.

3 Remuneration of directors

The directors received no remuneration from the Company during the year (2008: £nil) but were remunerated by a fellow subsidiary undertaking. It is not possible to identify separately this remuneration in respect of services to the Company.

4 Interest receivable

| | 2009 £000 | 2008 £000 |
|---------------------------|-------------------|-------------------|
| Other interest receivable | - | 12 |
| | <u> </u> | <u> </u> |

5 Interest payable

| | 2009 £000 | 2008 £000 |
|---------------------------------------|-------------------|-------------------|
| Interest payable to group undertaking | 14 | - |
| | <u> </u> | <u> </u> |

Notes *(continued)*

6 Tax on profit on ordinary activities

Analysis of charge in year

| | 2009 £000 | 2008 £000 |
|--|----------------------------|----------------------------|
| <i>Corporation tax</i> | | |
| Current year tax | - | - |
| <i>Deferred tax</i> | | |
| Origination and reversal of timing differences | - | 2 |
| Reversal of timing differences | - | 16 |
| | <hr/> | <hr/> |
| Tax charge on profit on ordinary activities | - | 18 |
| | <hr/> <hr/> | <hr/> <hr/> |

Factors affecting the current tax for the year

The current tax for the year is lower (*2008 lower*) than the standard rate of corporation tax in the UK of 28% (*2008 28.5%*). The differences are explained below

| | 2009 £000 | 2008 £000 |
|--|----------------------------|----------------------------|
| <i>Current tax reconciliation</i> | | |
| Profit on ordinary activities before tax | 13 | 61 |
| | <hr/> | <hr/> |
| Current tax at 28% (<i>2008 28.5%</i>) | 4 | 17 |
| <i>Effects of</i> | | |
| Expenses not deductible for tax purposes | 3 | - |
| Capital allowances for period in arrears of depreciation | (2) | - |
| Group relief received without payment | (5) | (17) |
| | <hr/> | <hr/> |
| Total current tax | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes *(continued)*

7 Tangible fixed assets

| | Fixtures, Fittings and equipment £000 | Total £000 |
|---|--|---------------|
| Cost | | |
| At 1 January 2009 | 48 | 48 |
| Disposals | (48) | (48) |
| At 31 December 2009 | <u>-</u> | <u>-</u> |
| Depreciation | | |
| At 1 January 2009 | 48 | 48 |
| Disposals | (48) | (48) |
| At 31 December 2009 | <u>-</u> | <u>-</u> |
| Net book value at 31 December 2009 | <u>-</u> | <u>-</u> |
| Net book value at 1 January 2009 | <u>-</u> | <u>-</u> |

8 Debtors

| | 2009 £000 | 2008 £000 |
|-------------------------------------|--------------|--------------|
| <i>Due within one year</i> | | |
| Amounts due from group undertakings | 1,308 | 920 |
| Other debtors | - | 85 |
| | <u>1,308</u> | <u>1,005</u> |

9 Creditors: amounts falling due after more than one year

| | 2009 £000 | 2008 £000 |
|-----------------------------------|--------------|--------------|
| Amounts due to group undertakings | <u>290</u> | <u>-</u> |

Notes *(continued)*

10 Called up share capital

| | 2009 | 2008 |
|--|----------|----------|
| | £ | £ |
| <i>Allotted, called up and fully paid</i> | | |
| 1 Ordinary share of £1 | 1 | 1 |

11 Profit and loss account

| | £000 |
|-------------------------------|--------------|
| At 1 January 2009 | 1,005 |
| Profit for the financial year | 13 |
| At 31 December 2009 | 1,018 |

12 Ultimate parent undertaking

The Company's immediate parent undertaking is Riverside Limited, a company registered in England and Wales

The Company's ultimate parent undertaking is Société Générale SA, a Company incorporated in France. Société Générale SA is the parent undertaking of the largest group of which the Company is a member and for which publicly available financial statements are prepared.

Société Générale SA acquired the entire share capital of New Esporta Holding Limited, including all the assets and trade of the Group on 18 June 2009. Prior to this and at 31 December 2008 the ultimate parent undertaking was Bell Leisure Group Limited which is incorporated in Jersey.

The smallest group of which the Company is a member and prepares financial statements containing the results of the Company is New Esporta Holding Limited. Copies of the financial statements of New Esporta Holding Limited may be obtained from Trinity Court, Molly Millars Lane, Wokingham, Berkshire RG41 2PY.