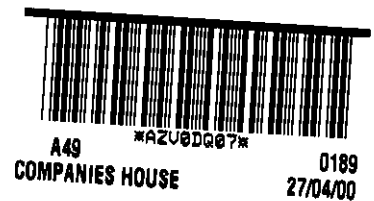


Registered number
3367162

AXIS MAIDSTONE LIMITED

Report and Accounts
For the year ended
31 August 1999



PRICE MANN & CO
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
447 KENTON ROAD
HARROW
MIDDLESEX
HA3 0XY

TEL : 0181 204 2228
FAX : 0181 204 6425
EMAIL: pricemann@hotmail.com

AXIS MAIDSTONE LIMITED
Company Information

Directors

Mr S C Lewis
Mr R F Steele
Mr G Carris

Secretary

Mr R F Steele

Auditors

PRICE MANN & CO
447 KENTON ROAD
HARROW
MIDDLESEX
HA3 0XY

Registered office

54 Welbeck Street
London
W1M 7HE

Registered number

3367162

AXIS MAIDSTONE LIMITED
Directors' Report

The directors present their report and accounts for the year ended 31 August 1999.

Principal activities

The company's principal activity during the year continued to be that of tennis/health and fitness centre.

Holding Company

The company is a wholly owned subsidiary of AXIS HEALTH & FITNESS LTD, registered in England and Wales.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	1999	1998
Mr S C Lewis	-	-
Mr R F Steele	-	-
Mr G Carris	-	-

In accordance with the Article of Association, Mr G Carris retires by rotation and offers himself for re-election.

Directors' responsibilities

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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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.


Auditors

A resolution to reappoint PRICE MANN & CO as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 25th January 2000.


Mr S C Lewis
Director

AXIS MAIDSTONE LIMITED
Auditors' Report

Report of the auditors
to the shareholders of AXIS MAIDSTONE LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 the company's affairs as at 31 August 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



PRICE MANN & CO
Chartered Accountants and Registered Auditors

447 KENTON ROAD
HARROW
MIDDLESEX
HA3 0XY

25th January 2000

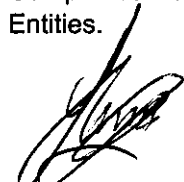
AXIS MAIDSTONE LIMITED
Profit and Loss Account
for the year ended 31 August 1999

	Notes	1999 £	1998 £
Turnover	2	301,871	298,622
Cost of sales		(26,930)	(36,387)
Gross profit		<u>274,941</u>	<u>262,235</u>
Administrative expenses		(393,980)	(319,150)
Operating loss	3	<u>(119,039)</u>	<u>(56,915)</u>
Interest payable		-	(1,869)
Loss on ordinary activities before tax		<u>(119,039)</u>	<u>(58,784)</u>
Tax on ordinary activities		-	-
Loss for the financial year		<u>(119,039)</u>	<u>(58,784)</u>
Retained loss for the financial year	9	<u>(119,039)</u>	<u>(58,784)</u>

AXIS MAIDSTONE LIMITED
Balance Sheet
as at 31 August 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	4	1,368,888	190,909
Current assets			
Stocks		2,615	1,922
Debtors	5	53,972	29,190
Cash at bank and in hand		518	2,531
		<u>57,105</u>	<u>33,643</u>
Creditors: amounts falling due within one year	6	(67,777)	(92,021)
Net current liabilities		<u>(10,672)</u>	<u>(58,378)</u>
Total assets less current liabilities		<u>1,358,216</u>	<u>132,531</u>
Creditors: amounts falling due after more than one year	7	(1,536,037)	(191,313)
Net liabilities		<u>(177,821)</u>	<u>(58,782)</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	(177,823)	(58,784)
Shareholders' funds		<u>(177,821)</u>	<u>(58,782)</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.



Mr S C Lewis
 Director

Approved by the board on 25th January 2000

AXIS MAIDSTONE LIMITED
Notes to the Accounts
for the year ended 31 August 1999

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Depreciation

Depreciation is provided on all tangible assets, other than the leasehold property, at the rates calculated to write off cost, less estimated residual value, of each asset evenly over its expected useful life as follows :

Plant and machinery	All purchases are being depreciated over 4/7/10 years straight line depending on expected commercial life of the equipment.
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The directors have decided to provide NIL depreciation on the leasehold property as they are of the opinion that the property will continue to be worth more than the book value. The leasehold property is maintained to such a standard that in the directors' opinion, the residual value would be sufficiently high to make any depreciation charge immaterial. The directors have based their estimates of residual value on the professional valuations carried out during the year.

Stocks

Stock is valued at the lower of cost and net realisable value.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2 Turnover

Turnover is stated net of value added tax, representing income receivable from third parties.

3 Operating profit

	1999 £	1998 £
This is stated after charging:		
Depreciation of owned fixed assets	17,003	13,259
Depreciation of assets held under finance leases and hire purchase contracts	7,647	4,335
Pension costs	-	808
Auditor's remuneration	<u>2,500</u>	<u>2,750</u>

AXIS MAIDSTONE LIMITED
Notes to the Accounts
for the year ended 31 August 1999

4 Tangible fixed assets

	Leasehold property £	Plant and machinery £	Total £
Cost			
At 1 September 1998	57,982	150,521	208,503
Additions	891,922	25,814	917,736
Transfer from Holding Company	284,893	-	284,893
At 31 August 1999	<u>1,234,797</u>	<u>176,335</u>	<u>1,411,132</u>
Depreciation			
At 1 September 1998	-	17,594	17,594
Charge for the year	-	24,650	24,650
At 31 August 1999	<u>-</u>	<u>42,244</u>	<u>42,244</u>
Net book value			
At 31 August 1999	<u>1,234,797</u>	<u>134,091</u>	<u>1,368,888</u>
At 31 August 1998	<u>57,982</u>	<u>132,927</u>	<u>190,909</u>

Initial purchase of leasehold property transferred from holding company Axis Health & Fitness Ltd.
(Investment account)

	1999 £	1998 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>43,711</u>	<u>40,882</u>

5 Debtors

	1999 £	1998 £
Trade debtors	1,996	2,470
Amounts owed by group undertakings and undertakings in which the company has a participating interest	25,937	8,674
Other debtors	<u>26,039</u>	<u>18,046</u>
	<u>53,972</u>	<u>29,190</u>

6 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	3,270	23,342
Advance Income	6,876	23,412
Obligations under finance lease and hire purchase contracts	13,524	10,946
Trade creditors	24,333	-
Other taxes and social security costs	3,701	7,433
Other creditors	<u>16,073</u>	<u>26,888</u>
	<u>67,777</u>	<u>92,021</u>

AXIS MAIDSTONE LIMITED
Notes to the Accounts
for the year ended 31 August 1999

7 Creditors: amounts falling due after one year	1999 £	1998 £
Obligations under finance lease and hire purchase contracts	19,313	23,760
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,516,724	167,553
	<u>1,536,037</u>	<u>191,313</u>

8 Share capital	1999 £	1998 £
Authorised: Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	1999 £	1998 £
Allotted, called up and fully paid: Ordinary shares of £1 each	<u>2</u>	<u>2</u>

	1999 No	1998 No	1999 £	1998 £
	2	2	<u>2</u>	<u>2</u>
Movement in share capital			1999 £	1998 £
At 1 September			2	-
Shares issued			-	2
At 31 August			<u>2</u>	<u>2</u>

9 Profit and loss account	1999 £	1998 £
At 1 September	(58,784)	-
Retained loss	(119,039)	(58,784)
At 31 August	<u>(177,823)</u>	<u>(58,784)</u>

10 Post balance sheet events

There were no post balance sheet events.

IS MAIDSTONE LIMITED
Notes to the Accounts
the year ended 31 August 1999

Capital commitments

1999

£

The company had commitments for capital expenditure in relation to
Amounts authorised and contracted for but not provided in the
accounts amounting to.

427,058

Contingent liabilities

There were no contingent liabilities.

Transactions with directors

There were no transactions with the directors.

Related parties

The company is a wholly owned subsidiary of Axis Health and Fitness Ltd.