

TRAINSTATION LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 1999**

REGISTERED NUMBER: 3381595



TRAINSTATION LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

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TRAINSTATION LIMITED

COMPANY INFORMATION AT 31 DECEMBER 1999

DIRECTORS

P F Bird
S B Turnock
G Street

SECRETARY

S B Turnock

BUSINESS ADDRESS

trainstation Health Club
Wrexham Road
Chester
CH4 7QP

AUDITORS

Hurst & Company
Chartered Accountants &
Registered Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

SOLICITORS

Kuit Steinart Levy
3 St Mary's Parsonage
Manchester
M3 2RD

PRINCIPAL BANKERS

Barclays Bank
4 Water Street
Liverpool
L69 2RT

TRAINSTATION LIMITED

AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 8 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1999.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

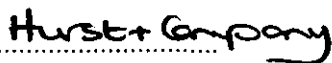
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 8 have been properly prepared in accordance with those provisions.


Hurst & Company
Chartered Accountants &
Registered Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

Date: 9 September 2000

**ABBREVIATED BALANCE SHEET
AT 31 DECEMBER 1999**

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TRAINSTATION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year. Annual subscriptions paid in advance are deferred and released to the profit and loss account over the period of the subscription, in order to match the income with costs. The subscriptions are non refundable.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Goodwill is amortised through the profit and loss account in the year of purchase.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life, commencing when each club first opens under the **trainstation** brand:

Short leasehold building / tenants improvements	Over the term of the lease
Equipment, fixtures and tools	10% - 33.3% on cost

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and rerepresents a constant proportion of the balance of the capital repayments outstanding. The related obligations, net of future finance charges, are included within creditors.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

TRAINSTATION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

2. FIXED ASSETS

	Tangible assets £
Cost:	
At 1 January 1999	1,881,573
Additions	2,334,974
Disposals	(776)
At 31 December 1999	<u>4,215,771</u>
Depreciation:	
At 1 January 1999	44,267
Charge for year	107,068
At 31 December 1999	<u>151,335</u>
Net book value:	
At 31 December 1999	<u>4,064,436</u>
At 31 December 1998	<u>1,837,306</u>

3. BORROWINGS

	1999 £	1998 £
The company's borrowings are repayable as follows		
Up to one year and on demand	532,084	966,058
Between one and two years	219,548	-
Between two and five years	658,644	-
After five years	383,269	-
	<u>1,793,545</u>	<u>966,058</u>
 Wholly repayable within five years	<u>1,410,276</u>	<u>966,058</u>
 Included in current liabilities	<u>532,084</u>	<u>966,058</u>

TRAINSTATION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

4. CREDITORS: amounts falling due within one year

Bank overdrafts amounting to £365,841 (1998 £409,507) are secured by a Debenture dated 8 June 1999 (regulated by a Deed of Priority between Barclays Bank Plc and Carlsberg Tetley Brewing Limited).

The Barclays Bank Plc bridging loan amounting to £152,943 (1998 nil) and the Barclays Treasury Loan amounting to £1,125,211 (1998 : nil) are secured by a first legal charge dated 8 June 1999 on the company's premises at Wrexham Road, Chester, the Waterfront, Southport and the Brooklands Club, Sale.

The bridging loan is repayable in full by 31 January 2000, this had not been repaid by the due date as the company intended to convert the loan to a finance lease with Barclays Mercantile Credit, this arrangement is now under review. The treasury loan is repayable in 22 instalments of £51,137 after a repayment holiday of 18 months from the date of the drawdown of the loan.

They are also secured by a first charge dated 7 June 1999 on Barclays Life policies upon the lives of Paul Francis Bird and Stephen Barry Turnock.

The loan received from Carlsberg Tetley Brewing Limited amounting to £150,000 is secured by a fixed and floating charge over the assets of the company. The loan is split into two equal amounts of £75,000, one half of the loan being repayable in instalments of £625 per month over 10 years, the other half being written off to barrelage discounts received from Carlsberg Tetley Brewing Limited.

6. SHARE CAPITAL

	1999 £	1998 £
Authorised:		
Equity interests:		
188,725 Ordinary shares of £1 each	188,725	188,725
154,412 'A' Ordinary shares of £1 each	154,412	154,412
	<u>343,137</u>	<u>343,137</u>
Non-equity interests:		
450,000 Preference shares of 1 pence each	4,500	4,500
1,900,000 'A' Preference shares of 0.1 pence each	1,900	400
	<u>349,537</u>	<u>348,037</u>
Allotted, called up and fully paid:		
Equity interests:		
188,725 Ordinary shares of £1 each	188,725	188,725
154,412 'A' Ordinary shares of £1 each	154,412	154,412
	<u>343,137</u>	<u>343,137</u>
Non-equity interests:		
450,000 Preference shares of 1 pence each	4,500	4,500
1,600,000 'A' Preference shares of 0.1 pence each	1,600	400
	<u>349,237</u>	<u>348,037</u>

On 2 May 1999, 500,000 'A' preference shares of 0.1 pence each, were authorised and issued for a consideration of £500,000.

On 5 July 1999, 500,000 'A' preference shares of 0.1 pence each, were authorised and issued for a consideration of £500,000.

TRAINSTATION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

6. SHARE CAPITAL - (continued)

On 14 October 1999, 200,000 'A' preference shares of 0.1 pence each, were authorised and issued for a consideration of £200,000.

The holders of the A ordinary shares may at any time, subject to certain provisions, convert the whole of their A ordinary shares into a like number of ordinary shares.

Subject to certain provisions, the preference shares shall be redeemed, for the sum of £1 each, in the proportions and on the dates set out below :

Redemption date	Number of shares redeemable
31 July 2002	150,000
31 July 2003	150,000
31 July 2004	150,000

Subject to certain provisions, the 'A' preference shares shall be redeemed for the sum of £1.15 each, in the proportions and on the dates set out below:

Redemption date	Number of shares redeemable
31 July 2002	190,000
31 December 2002	190,000
31 July 2003	190,000
31 December 2003	190,000
31 July 2004	190,000
31 December 2004	190,000
31 July 2005	190,000
31 December 2005	190,000
31 July 2006	190,000
31 December 2006	190,000

Any shares not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

Rights to dividends:

The profits of the company available for distribution shall be used to pay dividends in the following order of priority :

- first, in paying to the holders of the preference shares a dividend of 6 pence per share per annum for the period from 1 January 2000 to 31 December 2000, 8 pence per share per annum for the period from 1 January 2001 to 30 June 2002 and 10 pence per share per annum from and after July 2002, accruing from 1 January 2000; in paying the holders of the 'A' preference shares a dividend of 10 pence per share per annum, accruing from 1 January 2001 and payable half yearly on 30 June and 31 December each year, the first payment to be made on 30 June 2001:

- second, in paying to the holders of the A ordinary shares as a class in respect of each financial year of the company a dividend equal to 10% of net profit, accruing from the date of subscription:

- third, in paying to the holders of the A ordinary shares in respect of each financial year of the company a dividend per share equivalent to and calculated by dividing the excess benefits by the number of ordinary shares held by relevant directors on the last day of the relevant financial year, accruing from the commencement of the relevant financial year in which the excess benefits are paid:

- fourth, in paying to the holders of the ordinary shares, subject to certain conditions, such amount as the directors may determine up to the amount of the participating dividend paid on each A ordinary share. Dividends do not accrue on ordinary shares.

TRAINSTATION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

6. SHARE CAPITAL - (continued)

Priority and amounts receivable on a winding-up :

On a return of assets on liquidation or capital reduction or otherwise, the assets of the company remaining after the payment of its liabilities shall be applied in the following order of priority :

- first, in paying to the holders of the preference shares and the 'A' preference shares £1 per share together with a sum equal to any arrears or accruals of the preference dividend and the 'A' preference dividend calculated down to the date of the return of capital;
- second, in paying to the holders of the A ordinary shares £2.449 per share together with a sum equal to any arrears or accruals of the dividends on the A ordinary shares calculated down to the date of the return of capital;
- third, in paying to the holders of ordinary shares £2.449 per share; and
- the balance of such assets shall be distributed amongst the holders of the A ordinary shares and ordinary shares in proportion to the amounts paid up or credited as paid up on the A ordinary shares and ordinary shares held by them respectively.

Voting rights :

The ordinary shares and A ordinary shares carry one vote per share. The preference shares and 'A' preference shares do not carry any votes.

7. RELATED PARTY DISCLOSURES

Bank overdrafts amounting to £365,841 (1998 £409,507) are secured by Life Policy's in the name of Paul Francis Bird and Stephen Barry Turnock dated 7 June 1999.

At the year end the company owed S B Turnock and P F Bird £8,000 (1998 £8,000) each in respect of salaries not drawn. These amounts are shown within current liabilities. These amounts were subsequently repaid on the 4th January 2000.