

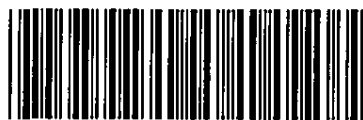
Trainstation Limited

Directors' report and financial statements

Registered number 3381595

31 July 2009

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Company information

Directors	M Long R Chester A McColl
Registered office	Sandall Stones Road Kirk Sandall Doncaster South Yorkshire DN3 1QR
Auditors	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Registered number	3381595
Principal bankers	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB

Directors' report

The Directors present their annual report together with the audited financial statements for the year ended 31 July 2009

Principal activities

The company is engaged in the ownership and management of three health and fitness facilities

Business review

There were no additions or disposals made to the estate in the financial year. As at 31 July 2009 the company operated three health and fitness clubs in the UK and Ireland.

Turnover of the company fell by 1.7% and operating profit increased by £66,480 to £419,843 before exceptional items. The exceptional items last year, within cost of sales relate to onerous lease provisions (see note 2).

Membership numbers fell from 7,920 at the start of the year to 7,776 as at 31 July 2009.

The results for the year are set out in the profit and loss account on page 7.

The group headed by MOP Acquisitions (LAF) Limited, which the company is a member of, is dependent on facilities provided to it by Royal Bank of Scotland and its banking syndicate. These facilities were renegotiated after the financial year end and became effective from 2 January 2009. The new facilities comprise term loans of approximately £69.6 million as at 31 July 2009, and a revolving credit/overdraft facility of £8 million. They also contain various covenants which were amended in December 2009, which the group is forecast to comply with for the foreseeable future. The facilities extend beyond 4 years from the balance sheet date.

Principal risks and uncertainties and key performance indicators.

The directors of MOP Acquisitions (LAF) Limited manage the group's risks at a group level. The principal risks and uncertainties of the group which include those of the company, and the development, performance and position of the group are discussed in the Directors' report in the group's annual report which does not form part of this report.

Financial risk management

The company's operations expose it to a small level of financial risk that includes the effects of liquidity risk and interest rate risk. The company is reliant on its intermediate parent company to manage effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The parent company has policies to manage financial risk and circumstances where it would be appropriate to use financial instruments to manage these. A discussion of financial risk management is included in the annual report of the parent company, MOP Acquisitions (LAF) Limited.

Directors

The directors who held office during the year were as follows:

S Gosling	(resigned 24 March 2009)
M Long	
R Chester	(appointed 24 March 2009)
A McColl	(appointed 1 April 2009)

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



R Chester
Director

Sandall Stones Road
Kirk Sandall
Doncaster
South Yorkshire
DN3 1QR

17 December 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors report to the members of Trainstation Limited.

We have audited the financial statements of Trainstation Limited for the year ended 31 July 2009 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 4, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters 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.

Independent auditors report to the members of Trainstation Limited *(continued)*

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



Mick Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Manchester

17 December 2009

Profit and loss account
for the year ended 31 July 2009

	Notes	2009 £	2008 £
Turnover	<i>1</i>	2,705,963	2 752 331
Cost of sales			
Before exceptional items		(2,286,120)	(2,398,968)
Exceptional items	<i>2</i>	-	(746 010)
Cost of sales		(2,286,120)	(3 144 978)
Gross profit / (loss)		419,843	(392 647)
Administrative expenses	<i>3</i>	-	-
Operating profit / (loss)		419,843	353,363
Before exceptional items		419,843	353,363
Exceptional items	<i>2</i>	-	(746 010)
Operating profit / (loss)		419,843	(392,647)
Interest payable	<i>5</i>	(71,262)	-
Profit / (loss) on ordinary activities before taxation	<i>3</i>	348,581	353 363
Before exceptional items		348,581	353 363
Exceptional items	<i>2</i>	-	(746,010)
Profit / (loss) on ordinary activities before taxation		348,581	(392,647)
Taxation on profit / (loss) on ordinary activities	<i>6</i>	39,645	45,636
Profit / (loss) for the financial year	<i>13, 14</i>	388,226	(347 011)

All results are derived wholly from continuing operations and there is no difference between the result of the year above compared to an historical cost basis

There are no gains or losses in either period other than the result recognised above. Accordingly no statement of total recognised gains and losses has been presented

The notes on pages 9 to 15 form part of these financial statements

Balance sheet

As at 31 July 2009

	Notes	£	2009 £	2008 £
Fixed assets				
Tangible assets	7		1,996,838	2,257,943
Current assets				
Stocks	8	14,174	24,096	
Debtors	9	5,085,719	4,580,219	
		<u>5,099,893</u>	<u>4,604,315</u>	
Creditors: amounts falling due within one year	10	<u>(4,206,009)</u>	<u>(4,278,045)</u>	
Net current assets			<u>893,884</u>	<u>326,270</u>
Total assets less current liabilities			<u>2,890,722</u>	<u>2,584,213</u>
Provisions for liabilities and charges	11		<u>(816,468)</u>	<u>(898,185)</u>
Net assets			<u>2,074,254</u>	<u>1,686,028</u>
Capital and reserves				
Called up share capital	12		349,537	349,537
Share premium account	13		2,439,579	2,439,579
Profit and loss account	13		<u>(714,862)</u>	<u>(1,103,088)</u>
Shareholders' funds	14		<u>2,074,254</u>	<u>1,686,028</u>

These financial statements were approved by the board of directors on 17 December 2009 and are signed on its behalf by



R Chester
Director

The notes on pages 9 to 15 form part of these financial statements

Notes to the financial statements

(Forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently with the prior year in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

Going concern

The group headed by MOP Acquisitions (LAF) Limited which the company is a member of is dependent on facilities provided to it by Royal Bank of Scotland and its banking syndicate. These facilities were renegotiated after the financial year end and became effective from 2 January 2009. The new facilities comprise term loans of approximately £69.6 million as at 31st July 2009, and a revolving credit/overdraft facility of £8 million. They also contain various covenants which were amended in December 2009, which the group is forecast to comply with for the foreseeable future. The facilities extend beyond 4 years from the balance sheet date.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent company includes the company in its own published consolidated financial statements.

Turnover

Turnover comprises the value of goods and services supplied by the company exclusive of value added tax. All turnover is derived in the United Kingdom. Membership subscription income is recognised evenly over the membership year. Joining fee and administration fee income which is non-refundable in the event of a member leaving is recognised when received.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and where appropriate provision for impairment. Depreciation is provided at rates calculated to write off the cost less impairment of fixed assets over their expected useful lives on the following bases:

Short leasehold property	-	straight line over the period of the lease
Fixtures, fittings and equipment	-	five years straight line

In accordance with Financial Reporting Standard 11, the directors consider the carrying value of fixed assets for impairment. Impairment is determined by reference to the higher of net realisable value and value in use. Value in use is determined using cash flows and discounted using an appropriate discount factor. Any reductions in value arising from the impairment of fixed assets are charged to the profit and loss account.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

Leasing and hire purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible fixed assets and depreciated over their useful lives. Finance leases are those where substantially all of the risks and benefits of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge. Finance charges and interest are charged to the profit and loss account in a constant proportion to the remaining balance of the capital repayments or net obligations outstanding.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease. Benefits relating to lease incentives are allocated on a straight line basis from the point at which the landlord fulfils its obligation over the shorter of the lease term and the period ending on the date from which it is expected that prevailing market rental will be payable. Certain leases contain inflation-driven rental uplifts with pre-determined minimums; the amount payable in respect of these uplifts is charged to the profit and loss account as it arises.

Taxation

The charge or credit for taxation is based on the profit or loss for the period and takes into account taxation deferred.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

Pension costs relate to defined contribution schemes and are charged to the profit and loss account as incurred.

Provisions

Provisions are created where the company has a present obligation (legal or constructive) as a result of a past event, where it is probable that the obligation will result in a net outflow of funds from the company and where the obligation can be measured reliably. The amounts provided are based on the company's best estimate of the net present value of future net cash flows. Specific property provisions are made as follows:

- ***Onerous contracts*** The company recognises a provision for onerous contracts when the expected future benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations arising under the contract. These provisions are discounted at 8%.

Notes to the financial statements (continued)

2 Exceptional costs

	2009	2008
	£	£
Property provisions	-	746 010

3 Profit / (loss) on ordinary activities before taxation

Profit / (loss) on ordinary activities before taxation is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation on tangible fixed assets	325,113	317 715
Operating leases rentals		
- land and buildings	317,594	330 385
- plant and machinery	-	5 162
Rent receivable	(40,190)	(48 360)

Audit fees and administrative expenses for the current year were borne by LA Leisure Limited

4 Staff numbers and costs

The average number of employees during the year was as follows

	2009	2008
Service	36	23

The aggregate payroll costs of these employees were as follows

	2009	2008
	£	£
Wages and salaries	694,414	767 209
Social security costs	57,557	59 683
Other pension costs	1,399	1 399
	753,370	828 291

None of the directors received any remuneration in respect to their services to the company during the year (period to 2008 £nil)

5 Interest payable

	2009	2008
	£	£
Other Interest Costs	71,262	-

Notes to the financial statements (continued)

6 Taxation

Analysis of (credit)/charge in year

	2009 £	2008 £
<i>UK Corporation tax</i>		
Adjustments in respect of prior years	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	(40,219)	(17,818)
Adjustments in respect of prior years	574	(34,058)
Effect of rate change 30% to 28%	-	6,240
Total deferred tax	(39,645)	(45,636)
Tax (credit)/charge on profit / (loss) on ordinary activities	(39,645)	(45,636)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 28% (2008: 28%). An analysis of the current year charge is given below

	2009 £	2008 £
Profit (loss) on ordinary activities before tax	348,581	(392,647)
Current tax at 28% (2008: 28%)	97,603	(109,941)
<i>Effects of</i>		
Expenses not deductible for tax purposes	48,381	69,681
Other timing differences	-	(397)
Capital allowances for period in excess of depreciation	40,219	18,215
Group relief	(186,203)	22,442
Total current tax credit (see above)	-	-

Notes to the financial statements (continued)

7 Tangible fixed assets

	Improvements to short leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 August 2008	4,290,996	1,800,300	6 091 296
Additions	-	64,008	64 008
At 31 July 2009	4,290,996	1,864,308	6,155,304
Depreciation			
At 1 August 2008	2,455,972	1 377,381	3,833 353
Charge in the year	172,788	152,325	325,113
At 31 July 2009	2,628,760	1,529,706	4,158,466
Net book value			
At 31 July 2009	1,662,236	334,602	1,996,838
At 31 July 2008	1,835,024	422 919	2 257,943

8 Stocks

	2009 £	2008 £
Goods for resale	14,174	24,096

9 Debtors

	2009 £	2008 £
Prepayments and accrued income	190,077	66 357
Amounts due from group undertakings	4,750,814	4 361,153
Corporation tax asset	-	47 524
Deferred tax asset	144,828	105,185
	5,085,719	4,580,219

Amounts due from group undertakings have no set terms for repayment and are interest free

Notes to the financial statements *(continued)*

10	Creditors' amounts falling due within one year	2009	2008
		£	£
	Amounts due to group undertakings	4,089,406	4 091 230
	Accruals and deferred income	116,603	186 815
		<u>4,206,009</u>	<u>4 278 045</u>

Amounts due to group undertakings have no set terms for repayment and are interest free

LA Leisure Limited, a fellow group undertaking, acts as cash manager for the group and accordingly all trade creditors are accounted for in the financial statements of that company

11 Provisions for liabilities and charges

	2009
	£
As at 1 August 2008	898,185
Profit and loss account – utilised in year	(152,979)
Unwind of discount	71,262
As at 31 July 2009	<u>816,468</u>

The provision relates to onerous leases

12	Share capital	2009	2008
		£	£
	Authorised:		
	3,495,370 Ordinary shares of 10 pence each	349,537	349 537
		<u>349,537</u>	<u>349 537</u>
	Allotted, called up and fully paid		
	3 495 370 Ordinary shares of 10 pence each	349,537	349 537
		<u>349,537</u>	<u>349 537</u>

13 Reserves

	Share premium	Profit and loss
	account	account
	£	£
At 1 August 2008 as previously reported	2,439,579	(1,103,088)
Profit for the financial year	-	388,226
At 31 July 2009	<u>2,439,579</u>	<u>(714,862)</u>

Notes to the financial statements (*continued*)

14 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit / (loss) for the financial year	388,226	(347 011)
Opening shareholders' funds	1,686,028	2 033 039
Closing shareholders' funds	<u>2,074,254</u>	<u>1 686 028</u>

15 Commitments under operating leases

At 31 July 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Within one year	-	-	-	-
In more than five years	381,890	262 609	-	-
	<u>381,890</u>	<u>262 609</u>	<u>-</u>	<u>-</u>

16 Contingent liability

The company has provided cross guarantees to its bankers in respect of the bank borrowings of other group undertakings. A contingent liability therefore exists to the extent of the bank borrowings of the other group undertakings. At the year end this amounted to £95,097,362 (2008: £100,714,000).

17 Related party transactions

Advantage has been taken of the exemptions provided by Financial Reporting Standard 8 not to disclose transactions and balances with fellow group companies as the company is a wholly owned subsidiary and consolidated accounts for the group are publicly available.

18 Parent undertakings and controlling parties

The company is controlled by Dragons Health Clubs Limited, a company registered in England and Wales.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is MOP Acquisitions (LAF) Limited. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

MOP Acquisitions (LAF) Limited is controlled by Mid Ocean Holdco (LAF) SARL, a company incorporated in Luxembourg. The ultimate parent company and ultimate controlling party is Ultramar Capital Limited, a company incorporated in the Cayman Islands.