

Ultimate Leisure (Holdings) Limited
(formerly Motortype Limited)

Directors' report and financial statements

30 June 1999

Registered number 3640742



Directors' report and financial statements

Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the auditors to the members of Ultimate Leisure (Holdings) Limited (formerly Motortype Limited)	3
Balance sheet	4
Notes	5

Directors' report

The directors present their annual report and the audited financial statements for the period from 30 September 1998, the date of incorporation, to 30 June 1999.

Principal activities and business review

The principal activity of the company is that of a holding company. The company did not trade during the period.

The company was incorporated as Motortype Limited on 30 September 1998. On 20 July 1999 it changed its name to Ultimate Leisure (Holdings) Limited. On 29 June 1999 the company acquired Ultimate Leisure Limited and Ultimate Leisure (Coast) Limited by way of a share for share exchange and on 30 June 1999 the company was acquired by Ultimate Leisure Group Plc.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

JL Nominees One Limited	(appointed 30 September 1998, resigned 1 June 1999)
A Rankin	(appointed 1 June 1999)

The interests of A Rankin in the shares of the parent company are disclosed in the directors' report of that company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



P Hughes
Secretary

26 Mosley Street
Newcastle upon Tyne
NE1 1DF

8 September 1999

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 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;
- 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 disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Audit Plc

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

**Report of the auditors to the members of Ultimate Leisure (Holdings) Limited
(formerly Motortype Limited)**

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1999 and of its result for the period from 30 September 1998, the date of incorporation, to 30 June 1999 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'KPMG Audit Plc'.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 September 1999

Balance sheet

at 30 June 1999

	Note	1999 £
Fixed assets		
Investments	4	299
Current assets		
Cash at bank and in hand		1
Net assets		<u>300</u>
Capital and reserves		
Called up share capital	5	300
Profit and loss account		-
Equity shareholders' funds		<u>300</u>

Profit and loss account

for the period from 30 September 1998 to 30 June 1999

During the period the company did not trade and received no income and incurred no expenditure. Consequently, during the period the company made neither a profit nor a loss.

These financial statements were approved by the board of directors on 8 September 1999 and were signed on its behalf by:



A Rankin
Director

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.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

2 Remuneration of directors

The director received no remuneration during the period.

3 Staff numbers and costs

The director was the only employee of the company during the period.

4 Fixed asset investments

Shares in group undertakings

	£
<i>Cost and net book value</i>	
At beginning of period	-
Additions	299
	<hr/>
At end of period	299
	<hr/> <hr/>

The companies in which the company's interest at the year end is more than 20%, each of which is wholly owned and incorporated in England, are as follows:

	Principal activity
Ultimate Leisure Limited	Ownership and operation of licensed premises
Ultimate Leisure (Coast) Limited	Ownership and operation of licensed premises

On 29 June 1999 the company acquired the entire issued share capital of Ultimate Leisure Limited and Ultimate Leisure (Coast) Limited in return for the allotment of 299 ordinary shares in the company.

Notes (continued)

5 Called up share capital

	1999 £
<i>Authorised</i>	
Equity: Ordinary shares of £1 each	300
	<hr/>
<i>Allotted, called up and fully paid</i>	
Equity: Ordinary shares of £1 each	300
	<hr/>

On 29 June 1999 the authorised share capital of the company was increased from £100 to £300 and 299 ordinary shares were allotted as consideration for the acquisition of Ultimate Leisure Limited and Ultimate Leisure (Coast) Limited.

6 Reconciliation of movements in shareholders' funds

	1999 £
New share capital subscribed	300
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	300
	<hr/>

7 Related party disclosures

The company is controlled by its parent undertaking, Ultimate Leisure Group Plc.

On 29 June 1999 the company acquired Ultimate Leisure Limited and Ultimate Leisure (Coast) Limited from Metnor Industrial Holdings Limited of which A Rankin is a director and shareholder.

8 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Ultimate Leisure Group Plc.

The largest group in which the results of the company are consolidated is that headed by Ultimate Leisure Group Plc. The consolidated accounts of this company are available to the public and may be obtained from the registered office of the company. No other group accounts include the results of the company.