

DSCLI Holdings Limited

Directors' report and financial statements

For the year ended 31 December 2003

Registered number 04374605



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Directors' report

The directors present their annual report together with the audited financial statements for the period ended 31 December 2003.

Principal activities

The company's principal activity is that of a holding company.

Business review

The company did not trade during the year under review and made no profit or loss. The directors do not recommend the payment of a dividend

Directors and directors' interests

The directors who served the company during the period were as follows:

	Appointed	Resigned
M Ball	-	-
S J Creed	-	13 May 2003
K B McCollum	-	24 February 2003
N Gillis	21 August 2003	-
M McGuigan	3 October 2003	-

None of the other directors who held office at the end of the financial period had any disclosable interest in the shares of the company. Their interests in the share or loan capital of any associated undertaking are disclosed in the financial statements of the ultimate parent undertaking Esporta Group Limited.

Directors' report (continued)

Employees

It is Esporta Group Limited's policy to involve employees, including employees of its subsidiaries, in the business and to ensure that matters to concern to them, including the Group's aims and objectives and its financial performance, are communicated in an open and regular way. This is achieved through the use of focus groups, business briefings, newsletters and other less formal communications.

The Group has a comprehensive annual training and personal development plan which accords with its policy of developing talent within the Group.

The promotion of equal opportunities for all employees, including disabled persons, is regarded as an important Group priority. Applications for employment and promotion of disabled persons are treated on the same basis as those from other applicants having regard to aptitude, ability, requirements of the job and experience. The Group's policy is to seek to continue the employment of, and to arrange appropriate training for, employees who have been become disabled during the period when they were employed by the Group.

Political and charitable contributions

The company made no political or charitable contributions during the period.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

Elective Resolution

Pursuant to an elective resolution passed on 19 March 2004 the Company will not hold an Annual General Meeting unless any member requires the Company to do so.

By order of the board



M Ball
Director

Trinity Court
Molly Millars Lane
Wokingham
Berkshire
RG41 2PY
30 June 2004

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 group 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 LLP

St James' Square
Manchester
M2 6DS
United Kingdom

**Report of the independent auditors to the members of DSCI Holdings Limited
(formerly Thriftbridge Limited)**

We have audited the financial statements on pages 5 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 affairs of the Company as at 31 December 2003 and of the result of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

A handwritten signature in dark ink, appearing to be 'KPMG LLP', written over the printed name of the firm.

30 June 2004

Profit and loss account
for the year ended 31 December 2003

		2003 £000	2002 £000
Operating profit		-	-
Net interest payable and similar charges	4	-	(270)
Loss on ordinary activities before taxation	2	-	(270)
Tax on loss on ordinary activities	5	-	81
Loss on ordinary activities after taxation		-	(189)
Dividends		-	-
Retained loss for the financial period	10	-	(189)

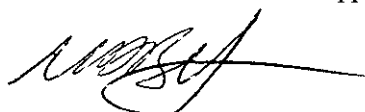
All amounts relate to continuing businesses.

The company had no recognised gains or losses during the period other than the loss for the period as stated above.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £000	2002 £000
Fixed assets			
Investments	6	20,000	20,000
		<hr/> 20,000	<hr/> 20,000
Current assets			
Debtors	7	130,023	129,759
		<hr/> 130,023	<hr/> 129,759
Creditors: amounts falling due within one year	8	(150,012)	(149,748)
		<hr/> (19,989)	<hr/> (19,989)
Net current liabilities			
		<hr/> 11	<hr/> 11
Total assets less current liabilities			
		<hr/> 11	<hr/> 11
Net assets		<hr/> <hr/> 11	<hr/> <hr/> 11
Capital and reserves			
Called up share capital	9	200	200
Profit and loss account	10	(189)	(189)
		<hr/> 11	<hr/> 11
Shareholders' funds		<hr/> <hr/> 11	<hr/> <hr/> 11

These financial statements were approved by the board of directors on 30 June 2004 and were signed on its behalf by:



M Ball
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2003

	2003 £000	2002 £000
Loss for the financial period	-	(189)
New share capital subscribed (net of issue costs)	-	200
Net movement in shareholders' funds	-	11
Opening shareholders' funds	11	-
Closing shareholders' funds	11	11

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, under the historical cost accounting rules and within the requirements of the Companies Act 1985.

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.

Cashflow statement

The company is exempt from the requirement of FRS 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Esporta Group Limited, and its cashflows are included within the consolidated cashflows 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 parent and fellow subsidiary undertakings.

Investments

Investments held as fixed assets are stated at cost less amounts written off.

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, without discounting, 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.

2 Loss on ordinary activities before taxation

Auditors' remuneration was paid by the Company's ultimate parent undertaking, Esporta Group Limited, and is disclosed in the financial statements of that company.

3 Directors' remuneration

The directors received no remuneration from the company during the period but were remunerated by the company's ultimate parent undertaking, Esporta Group Limited.

Notes (continued)

4 Net interest payable and similar charges

	2003 £000	2002 £000
Interest payable to group undertakings	-	(2,045)
Less: interest receivable from group undertakings	-	1,775
	<u>-</u>	<u>(270)</u>
	<u>-</u>	<u>(270)</u>

5 Taxation

Analysis of charge in period:

	2003 £000	2002 £000
<i>UK corporation tax</i>		
Current tax on losses for the period - normal	-	81
	<u>-</u>	<u>81</u>
Total current tax	-	81
	<u>-</u>	<u>81</u>
Tax on loss on ordinary activities	-	81
	<u>-</u>	<u>81</u>

Factors affecting the tax charge for the current period

The current tax credit for the period is equal to the standard rate of corporation tax in the UK (30%) as explained below.

	2003 £000	2002 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	-	270
	<u>-</u>	<u>270</u>
Current tax at 30%	-	81
	<u>-</u>	<u>81</u>
Total current tax credit	-	81
	<u>-</u>	<u>81</u>

Notes (continued)

6 Fixed asset investments

	Shares in subsidiary undertaking £000
<i>Cost</i>	
At beginning and end of period	20,000
<i>Net book value</i>	
At 31 December 2002 and 2003	20,000

7 Debtors

	2003 £000	2002 £000
Due within one year:		
Corporation Tax	81	81
Amounts owed by group undertakings	129,942	129,678
	<u>130,023</u>	<u>129,759</u>

8 Creditors: amounts falling due within one year

	2003 £000	2002 £000
Amounts owed to group undertakings	150,012	149,748
	<u>150,012</u>	<u>149,748</u>

Notes (continued)

9 Called up share capital

	2003 £000	2002 £000
<i>Authorised</i>		
500,000 Ordinary shares of £1 each	500	500
	<hr/> 500	<hr/> 500
<i>Allotted, called up and fully paid</i>		
200,100 Ordinary shares of £1 each	200	200
	<hr/> 200	<hr/> 200

10 Reserves

	Profit and loss account £000
At 31 December 2002	(189)
Loss for the period	-
	<hr/>
At 31 December 2003	(189)
	<hr/>

11 Ultimate parent undertaking

The company's immediate parent undertaking is Health and Fitness Holdings Limited, a company registered in England and Wales.

The company's ultimate parent undertaking is Esporta Group Limited, a company registered in England and Wales. The consolidated accounts of Esporta Group Limited are available to the public and maybe obtained from Trinity Court, Molly Millars Lane, Wokingham, Berkshire, RG41 2PY.