

REGISTERED NUMBER 05643248 (England and Wales)

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Report of the Directors and
Financial Statements for the Year Ended 31 December 2010
for
EPH No 1 Limited

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EPH No 1 Limited (Registered number 05643248)

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for the Year Ended 31 December 2010**

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EPH No 1 Limited
Company Information
for the Year Ended 31 December 2010

DIRECTORS

R L Segal
J B Cleland
D J Leatherbarrow
J Dhody

REGISTERED OFFICE

Trinity Court
Molly Millars Lane
Wokingham
Berkshire
RG41 2PY

REGISTERED NUMBER

05643248 (England and Wales)

AUDITORS.

Ernst & Young LLP
Statutory Auditor
Reading
Berkshire

**Report of the Directors
for the Year Ended 31 December 2010**

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an intermediate holding company

REVIEW OF BUSINESS

The loss before taxation for the year was £20 (2009 profit £1,720) as shown in the Profit and Loss Account on page 5

The Directors' report for the company's parent undertaking at the year end, New Esporta Holding Limited, contains a fair review of the business of the New Esporta Holding Limited group (the Group) including this company, and an indication of future developments as required by section 417 of the Companies Act 2006, using key performance indicators and risk analysis

DIVIDENDS

The directors do not recommend payment of a dividend for the year (2009 £nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

R L Segal
J B Cleland
D J Leatherbarrow
J Dhody

GOING CONCERN

The company is currently reliant upon its parent undertaking, New Esporta Holding Limited, and fellow subsidiary undertakings within the Group, for financial support

New Esporta Holding Limited has confirmed its commitment to support the company for the foreseeable future. As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet financial obligations as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

INDEMNITY

The articles of association provide for the company indemnifying all directors subject to the provisions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of this directors' report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

**Report of the Directors
for the Year Ended 31 December 2010**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD

J Dhody - Director

26 May 2011

**Report of the Independent Auditors to the Shareholders of
EPH No 1 Limited**

We have audited the financial statements of EPH No 1 Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes one to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

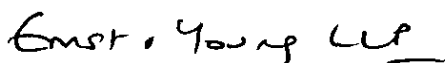
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Debbie O'Hanlon (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Reading
Berkshire

Date 27 May 2011

EPH No 1 Limited (Registered number 05643248)

**Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
TURNOVER		-	-
OPERATING PROFIT	3	-	-
(Loss)/profit from fixed asset investments	4	(20)	1,720
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(20)	1,720
Tax on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(20)	1,720

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

EPH No 1 Limited (Registered number: 05643248)

Balance Sheet
31 December 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments	6	6	6
CREDITORS			
Amounts falling due within one year	7	(393)	(373)
NET CURRENT LIABILITIES		<u>(393)</u>	<u>(373)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(387)</u>	<u>(367)</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	(388)	(368)
SHAREHOLDERS' FUNDS	11	<u>(387)</u>	<u>(367)</u>

The financial statements were approved by the Board of Directors on 26 May 2011 and were signed on its behalf by

J Dhody - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2010**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The directors have considered the financial position of the company, including the net current liability position at 31 December 2010

The directors believe that the Group and the company are well placed to manage their business risks successfully despite the current uncertain economic outlook. The Group maintains a detailed daily cash flow which includes a cash flow forecast for the next 12 months. The directors are able to predict future financial covenant compliance and through the use of its working capital facility, manage the cash requirements of the Group.

New Esporta Holding Limited has confirmed its commitment to support the company for the foreseeable future. As a result the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet financial obligations as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of New Esporta Holding Limited, and is included within the publicly available consolidated financial statements of that company.

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, 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.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments held as fixed assets are stated at cost less impairment provision. Such investments are reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be appropriate. The company's share of the losses attributable from subsidiary undertakings, which have been incorporated as Limited Liability Partnerships, are recognised in the profit and loss account of the 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 fellow subsidiary undertakings which are wholly owned subsidiaries of New Esporta Holding Limited.

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2010 nor for the year ended 31 December 2009.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

3 OPERATING PROFIT

Auditors' remuneration is paid by a fellow subsidiary undertaking

Directors' remuneration

The directors of the company are also directors of New Esporta Holding Limited and its subsidiaries. The directors received total remuneration for the year of £869,000 (2009 £1,287,000), all of which was paid by a fellow group company, Esporta Management Services Limited. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies. Refer to the New Esporta Holding Limited financial statements for further information.

4 (LOSS)/PROFIT FROM FIXED ASSET INVESTMENTS

	2010 £	2009 £
Movement on (losses)/profit attributable to subsidiary LLP undertakings	(20)	1,720

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below.

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(20)	1,720
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(6)	482
Effects of:		
Non-taxable income	-	(463)
Utilisation of non-trading losses brought forward	(15)	(19)
Expenses not deductible for tax purposes	21	-
Current tax charge	-	-

Factors that may affect future tax charges

An unprovided deferred tax asset of £14 (2009 £24) exists reflecting non trading losses carried forward. No deferred tax asset has been recognised as there is currently insufficient evidence that any such asset would be recoverable.

The UK Government announced in its Emergency Budget in June 2010 that the headline rate of UK corporation tax was to be reduced from 28% to 24% over the course of the next four years. The first reduction to 27% (effective from 1 April 2011) had been enacted by the balance sheet date and therefore the closing unrecognised deferred tax asset reflects this reduced rate. The 2009 unrecognised asset was based on a single rate of 28%.

In addition, the UK Government announced in its 2011 Budget on 23 March 2011 that the rate was to be reduced to 26% from 1 April 2011, this impact and the impact of the further reductions in the rate now to 23% has not been reflected in the deferred tax figures as these have not been substantively enacted at the balance sheet date.

A reduction to 23% would give rise to a reduction in the unrecognised deferred tax asset of £2.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2010	
and 31 December 2010	6
NET BOOK VALUE	
At 31 December 2010	6
At 31 December 2009	6

Name of LLP	Nature of business	Percentage of partnership capital held
Esporta PH LLP	Property Company	0.0010%
Esporta Hampshire PH LLP	Property Company	0.0010%
Esporta PH CRG LLP	Property Company	0.0010%
Esporta PH No1 LLP	Property Company	0.0026%
Esporta PH No2 LLP	Property Company	0.0016%
Esporta PH No3 LLP	Property Company	0.0021%

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed to group undertakings	5	6
Other creditors	388	367
	393	373

Other creditors represent the company's share of accumulated losses attributable to subsidiary undertakings

8 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
1	Ordinary		1	1

9 RESERVES

	Profit and loss account £
At 1 January 2010	(368)
Deficit for the year	(20)
At 31 December 2010	(388)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

10 **ULTIMATE PARENT COMPANY**

The company's immediate parent undertaking is Dollview Limited, a company registered in England and Wales

The company's ultimate parent undertaking is Société Générale SA, a company incorporated in France. Société Générale SA is the parent undertaking of the largest group of which the company is a member and for which publicly available group financial statements are prepared

The smallest group of which the company is a member and prepares financial statements containing the results of the company is New Esporta Holding Limited. Copies of the financial statements of New Esporta Holding Limited may be obtained from Trinity Court, Molly Millars Lane, Wokingham, Berkshire RG41 2PY

Société Générale SA acquired the entire share capital of New Esporta Holding Limited, including all the assets and trade of the Group on 18 June 2009. Prior to this, the ultimate parent undertaking was Bell Leisure Group Limited which is incorporated in Jersey

11 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
(Loss)/Profit for the financial year	(20)	1,720
Net (reduction)/addition to shareholders' funds	(20)	1,720
Opening shareholders' funds	(367)	(2,087)
Closing shareholders' funds	<u>(387)</u>	<u>(367)</u>